

JOURNAL
of the
**HOUSE OF
REPRESENTATIVES**
of the
General Assembly
of the
Commonwealth of Kentucky

Regular Session of 1988

Volume III

**Held in the State Capitol in the Capital City of Frankfort, at
Frankfort, in the Year of Our Lord 1988, and
in the One Hundred and Ninety-Seventh
Year of the Commonwealth**

**Begun on the Fifth Day of January, 1988, and Adjourned
Sine Die on the Fifteenth Day of April, 1988.**

FOREWORD

The Constitution requires each house of the General Assembly to keep a Journal of its proceedings. The Journal is intended to assure a public account of legislative activity and constitutes the final official record of action by the General Assembly.

Under the provisions of Sections 6.161, 6.162 and 57.151 of the *Kentucky Revised Statutes*, the Legislative Research Commission is responsible for comparing, editing, correcting, and publishing the Journals as approved by each house of the General Assembly. This volume represents the fulfillment of this obligation for the Regular Session of the House of Representatives of 1988.

The text of a bill is spread in full when it receives a first reading. The vote on passage of a bill is indicated upon its receipt of a third reading, or upon concurrence by the originating house in amendments by the second house. Simple and concurrent resolutions are printed on first reading when applicable or when adopted, and joint resolutions are treated as bills. A table of actions on bills and resolutions is appended. Roll calls on motions to pass legislation have been compiled at Appendix A.

Mrs. Shan Stone Gray, Mrs. Jean Wallace, Mrs. Delores Dearborn and Mrs. Wilda Bond prepared the 1988 House Journal. The edited copy and index in this volume reflect the cooperative efforts of the Commission's staff.

VIC HELLARD, JR.
Director

The Capitol
Frankfort, Kentucky
1988

MONDAY, MARCH 21, 1988

FORTY-NINTH LEGISLATIVE DAY

The House was called to order by Speaker Blandford.

Prayer by Representative Johnson.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All members present except Representatives Hoover and Yates.

Representative McElroy moved that the absent members be granted leave of absence in accordance with the rules of the House. Agreed.

Representative McElroy moved that the reading of the Journal of March 18, 1988 be dispensed with and the same approved. Agreed.

Senate Message

Announcing the passage of SB 212, SB 342, SB 338, SB 343, SB 355, SB 379, SB 383, SCR 87, HB 12 with Senate Committee Substitute, HB 345 with Senate Amendments, HCR 30 with Senate Amendment, HCR 69 with Senate Amendment, HB 17, HB 26, HB 196, HB 230, HB 346, HB 348, HB 442, HB 482, HB 547, HB 663 and HJR 3.

Reference of Bills and Resolutions

The Clerk reported the Committee on Committees has referred the following Bills:

Banking and Insurance: SB 314.

Natural Resources and Environment: SB 263.

State Government: SB 130.

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills have been posted for Committee consideration:

Health and Welfare: SB 281, SB 194.

Report of Committees

The Committee on Education reported SB 42, SB 286 and SB 303 with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 42. AN ACT relating to teachers retirement.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 161.600 is amended to read as follows:

(1) Effective July 1, 1978, a member of the retirement system may qualify for service retirement by meeting either of the following requirements:

(a) Attainment of age fifty-five (55) years and completion of five (5) years of Kentucky service, two (2) years of which are subsequent to July 1, 1941:

(b) Completion of *twenty-seven (27)* ~~[thirty (30)]~~ years of Kentucky service, two (2) years of which are subsequent to July 1, 1941. ~~[A member having less than thirty (30) years of service may retire with benefits reduced according to the following schedule:~~

29 years - 92% of benefits

28 years - 84% of benefits

27 years - 76% of benefits; and

(c) Benefits will be reduced in accordance with KRS 161.620 for persons qualifying under paragraph (a) of this subsection who are less than age sixty (60) years.

(2) Any member *who retires* ~~[shall be automatically retired as of July 1 next following his seventieth (70th) birthday, providing, however, that a member reaching age seventy (70) and]~~ having fewer than five (5) years of Kentucky service, two (2) years of which are subsequent to July 1, 1941, shall receive a refund of the member's accumulated contributions as provided in KRS 161.470(6) in lieu of a retirement annuity.

(3) Any person who has been a teacher in Kentucky for twenty-seven (27) years or more and who withdraws from teaching after July 1, 1941, and before reaching the age of sixty-five (65) years, may continue to pay into the fund each year, until the end of the fiscal year in which he reaches the age of sixty-five (65) years, the current contribution rate based on the annual compensation received during his last full year as a teacher. If he so elects he shall at any time be entitled to receive a retirement allowance as provided in KRS 161.620. No member shall make contributions as provided for above if such member is at the same time making contributions to another retirement system in Kentucky supported wholly or in part by public funds.

(4) Service credit in the Kentucky employes retirement system, the state police retirement system, the legislators' retirement plan, the county employes or the judicial retirement system may be used in meeting the service requirements of subsection (1)(a) and (b) of this section, provided such service is subsequent to July 1, 1956.

(5) No retirement annuity shall be effective until written application and option election forms are filed with the retirement office in accordance with regulations of the board of trustees.

(6) The surviving spouse of an active contributing member, if named as beneficiary of the member's account, may purchase retirement credit that the member was eligible to purchase prior to his death.

Section 2. KRS 161.620 is amended to read as follows:

(1) The retirement allowance, in the form of a life annuity with refundable balance, of a member retiring for service shall be calculated as follows:

(a) For retirements effective July 1, 1980, and thereafter, the annual allowance for each year of service performed prior to July 1, 1941, shall be one hundred dollars (\$100) and the annual allowance for each year of service performed after July 1, 1941, shall be two percent (2%) of the final average salary. Actuarial discounts due to age or service credit at retirement may be applied as provided in this section;

(b) For retirements effective January 1, 1984, and thereafter, the annual allowance shall be determined as set out in subsection (1)(a) of this section, except that the allowance for service performed after January 1, 1984, shall be valued at the annual rate of two and one-half percent (2 1/2%) of the final average salary for all members not employed by a state university or college. For purposes of implementing the change in the value of a year of service, the board of trustees shall establish by regulation, the value of services performed during the 1983-84 fiscal year but in no case shall the value of service performed during the 1983-84 fiscal year exceed two and one quarter percent (2.25%); and

(c) If the member has five (5) years or more of Kentucky service, but less than *twenty-seven (27)* ~~[thirty~~

(30) years of such service credit, the allowance shall be reduced actuarially for the number of years the member is less than sixty (60) years of age or by the number of years the service credit is less than *twenty-seven (27)* ~~thirty (30)~~ years, whichever is the lesser number. The board of trustees shall adopt an actuarial table of discounts for the purpose of calculating these allowances.

(2) Effective July 1, 1980, and annually on July 1 thereafter, the retirement allowance of each retired member and of each beneficiary of a retirement option who has been retired at least ten (10) months shall be increased in the amount of one percent (1%).

(3) Any member qualifying for retirement under a life annuity with refundable balance shall be entitled to receive an annual allowance amounting to not less than one hundred forty dollars (\$140) effective July 1, 1986 and one hundred eighty dollars (\$180) effective July 1, 1987, multiplied by the service credit years of the teacher, except that no retired teacher who was sixty (60) years of age or older at retirement, and who has five (5) years or more service credit in a position covered by the teachers' retirement system shall receive a monthly benefit of less than seventy-five dollars (\$75). The above minimums shall apply to the retired members receiving annuity payments and to those members retiring on or subsequent to the effective dates listed in this subsection. Eligibility for the benefits provided under this subsection shall be determined after applying any other cost-of-living adjustments provided by statute to the June, 1986 and June, 1987 annuity payment of the member.

(4) The minimum provided in this section shall apply in the case of teachers retired or retiring under an option other than a life annuity with refundable balance in the same proportion to the benefits of the teacher and his beneficiary or beneficiaries as provided in the duly adopted option tables at the time of the member's retirement.

(5) Effective July 1, 1986, the monthly allowance of each member retired on or before July 1, 1985, and each recipient of a retirement option of such retired members shall be increased in the amount of one percent (1%) of the monthly allowance for each year the member has been retired up to a maximum of five (5) years. The percentage increases shall be based on an assumed maximum allowance of one thousand dollars (\$1,000) per month of annuity in effect the previous month.

(6) Effective July 1, 1987, the monthly allowance of each member retired on or before July 1, 1986, and each recipient of a retirement option of such retired member shall be increased in the amount of three percent (3%) of the monthly allowance. The percentage increases shall be based on an assumed maximum allowance of one thousand dollars (\$1,000) per month of annuity in effect the previous month.

(7) Effective July 1, 1980, monthly payments of two hundred dollars (\$200) shall be payable for the benefit of an adult child of a member retired for service when the child's mental condition is sufficient to cause dependency on the member at the time of retirement. Eligibility for this payment shall continue for the life of such child or until such time as the mental condition creating the dependency no longer exists. The board of trustees shall be the sole judge of eligibility or dependency and may require formal application or information relating thereto.

(8) The cost of providing the statutory cost-of-living increases for retired members during 1980-82, 1982-84 and 1986-88 and the cost of implementing the increases provided under subsection (3) of this section shall be funded by annual appropriations from the state on an amortized basis over the lifetime of the recipients. When the earnings on investments of the retired teacher savings exceeds the actuarial assumed rate of interest, the board of trustees may allocate such excess earnings toward the funding of the amortized payments required during the 1986-88 biennium for the cost-of-living increases approved under subsections (5) and (6) of this section.

Section 3. KRS 161.540 is amended to read as follows:

(1) Effective July 1, 1988 ~~[1984]~~, each member shall contribute to the retirement system *nine and eight hundred fifty-five thousandths percent (9.855%)* ~~[nine and six-tenths percent (9.6%)]~~ of annual compensation except that university faculty members shall contribute *eight and three hundred seventy-five thousandths percent (8.375%)* ~~[eight and twelve hundredths percent (8.12%)]~~ of annual compensation. The contribution of members shall not exceed these applicable percentages on annual compensation. When a member retires, if it is determined that he has made contributions on a salary in excess of the amount to be included for the purpose of calculating his final average salary, any excess contribution shall be refunded to him in a lump sum at the time of the payment of his first retirement allowance.

(2) Each public board, institution or agency, as listed in KRS 161.220(4)(a) through (f) shall, solely for the purpose of compliance with Section 414(h) of the United States Internal Revenue Code, pick up the employee contributions required by this section for all compensation earned after August 1, 1982, and the contributions so picked up shall be treated as employer contributions in determining tax treatment under the United States Internal Revenue Code and KRS 141.010(9). However, each public board, institution or agency shall continue to withhold federal and state income taxes based upon these contributions and hold them in a separate account until the Internal Revenue Service or the federal courts rule that, pursuant to Section 414(h) of the United States Internal Revenue Code, these contributions shall not be included as gross income of the employee until such time as the contributions are distributed or made available to the employee. The picked up employee contribution shall satisfy all obligations to the retirement system satisfied prior to August 1, 1982 by the employee contribution, and the picked up employee contribution shall be in lieu of an employee contribution. Each employer shall pay these picked up employee contributions from the same source of funds which is used to pay earnings to the employee. The employee shall have no option to receive the contributed amounts directly instead of having them paid by the employer to the system. Employee contributions picked up after August 1, 1982 shall be treated for all purposes of KRS 161.220 to 161.714 in the same manner and to the same extent as employee contributions made prior to August 1, 1982.

SB 286, AN ACT relating to the investment of local government funds.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 65.230 is amended to read as follows:

As used in KRS 65.210 to 65.300, unless the context otherwise requires, "public agency" means any political subdivision of this state, any agency of the state government or of the United States, and any political subdivision of another state. It also means a state-supported institution of higher education and a county or independent public school district for the purposes [purpose] of entering into a joint agreement to establish and operate a center for child learning and study or for the investment of funds.

Section 2. KRS 65.240 is amended to read as follows:

(1) Any power or powers, privileges or authority exercised or capable of exercise by a public agency of this state may be exercised and enjoyed jointly with any other public agency of this state, and jointly with any public agency of any other state or of the United States to the extent that the laws of the United States permit such joint exercise or enjoyment. Any agency of the state government when acting jointly with any public agency may exercise and enjoy all of the powers, privileges and authority conferred by KRS 65.210 to 65.300 upon a public agency.

(2) Any two (2) or more public agencies may enter into agreements with one another for joint or cooperative action pursuant to the provisions of KRS 65.210 to 65.300. Appropriate action by ordinance, resolution or otherwise pursuant to law, of the governing bodies of the participating public agencies shall be necessary before any such agreement may enter into force.

(3) A state-supported institution of higher education and one (1) or more county or independent public school districts may enter into agreements under KRS 65.210 to 65.300 for the purposes [purpose] specified in KRS 65.230, notwithstanding any other provision of the statutes restricting, qualifying or limiting their authority to do so.

Section 3. KRS 66.480 is amended to read as follows:

(1) The governing body of a municipality, county, school district (provided that its *general procedure* for action is approved by the state board of education), or other local governmental unit or political subdivision, may invest and reinvest money subject to its control and jurisdiction in:

(a) Obligations of the United States and of its agencies and instrumentalities. Such investments may be accomplished through repurchase agreements reached with national or state banks chartered in Kentucky;

(b) Bonds or certificates of indebtedness of this state and of its agencies and instrumentalities;

(c) Any savings and loan association insured by an agency of the government of the United States up

to the amount so insured; and

(d) Interest-bearing deposits in national or state banks chartered in Kentucky and insured by an agency of the government of the United States up to the amount so insured, and in larger amounts providing such bank shall pledge as security, obligations as permitted by KRS 41.240(4), having a current quoted market value at least equal to any uninsured deposits. No municipality, county, school district, other unit of local government, political subdivision or county official shall make any investment which would jeopardize the tax-exempt status of any outstanding obligation of such unit of local government.

(2) Sheriffs, county clerks and jailers, who for the purposes of this section shall be known as county officials, may, and at the direction of the fiscal court shall, invest and reinvest money subject to their control and jurisdiction, including tax dollars subject to the provisions of KRS 134.300, 134.320 and 160.510, in the investment instruments permitted by subsection (1) of this section.

(3) The provisions of this section are not intended to impair the power of a county official, municipality, county, school district, or other local governmental unit or political subdivision to hold funds in deposit accounts with banking institutions as otherwise authorized by law.

(4) The governing body or county official may delegate the investment authority provided by subsection (1) of this section to the treasurer or other financial officer charged with custody of the funds of the local government, and such officer shall thereafter assume full responsibility for all investment transactions until the delegation of authority terminates or is revoked.

(5) All county officials shall report the earnings of any investments at the time of their annual reports and settlements with the fiscal courts for excess income of their offices.

(6) The state local finance officer is authorized and directed to assist county officials and local governments (except school districts) in investing funds that are temporarily in excess of operating needs by:

(a) Explaining investment opportunities to such county officials and local governments through publication and other appropriate means; and

(b) Providing technical assistance in investment of idle funds to county officials and local governments that request such assistance.

(7) (a) The state local finance officer may create an investment pool for local governments (except school districts) and county officials; and counties and county officials and cities may associate to create an investment pool. If counties and county officials and cities create a pool, each group may select a manager to administer their pool and invest the assets. Each county and each county official and each city may invest in a pool created pursuant to this subsection. Investments shall be limited to those investment instruments permitted by subsection (1) of this section. The funds of each local government and county official shall be properly accounted for, and earnings and charges shall be assigned to each participant in a uniform manner according to the amount invested. Charges to any local government or county official shall not exceed one percent (1%) annually on the principal amount invested, and charges on investments of less than a year's duration shall be prorated. Any investment pool created pursuant to this subsection shall be audited each year by an independent certified public accountant, or by the auditor of public accounts. A copy of the audit report shall be provided to each local government or county official participating in the pool. In the case of an audit by an independent certified public accountant, a copy of the audit report shall be provided to the auditor of public accounts, and to the state local finance officer. The auditor of public accounts may review the report of the independent certified public accountant. After preliminary review, should discrepancies be found, the auditor of public accounts may make his own investigative report or audit to verify the findings of the independent certified public accountant's report.

(b) If the state local finance officer creates an investment pool, he shall establish an account in the treasury for the pool. He shall also establish a separate trust and agency account for the purpose of covering management costs, and he shall deposit management charges in this account. The state local finance officer may issue regulations, pursuant to KRS Chapter 13A, governing the operation of the investment pool, including but not limited to provisions on minimum allowable investments and investment periods, and method and timing of investments, withdrawals, payment of earnings and assignment of charges.

(c) Before investing in an investment pool created pursuant to this subsection, a local government or

county official shall allow any savings and loan association or bank in the county, as described in subsection (1)(c) and (d) of this section, to bid for the deposits, but the local government or county official shall not be required to seek bids more often than once in each six (6) month period.

(8) (a) *With the approval of the state board of education, local boards of education, or such of them as may desire to do so, may associate to create an investment pool. Each local school board which associates itself with other local school boards for the purpose of creating the investment pool may invest its funds in the pool so created and so managed. Investments shall be limited to those investment instruments permitted by subsection (1) of this section. The funds of each local school board shall be properly accounted for, and earnings and charges shall be assigned to each participant in a uniform manner according to the amount invested. Charges to any local school board shall not exceed one percent (1%) annually on the principal amount invested, and charges on investments of less than a year's duration shall be prorated. Any investment pool created pursuant to this subsection shall be audited each year by an independent certified public accountant, or by the auditor of public accounts. A copy of the audit report shall be provided to each local school board participating in the pool. In the case of an audit by an independent certified public accountant, a copy of the audit report shall be provided to the auditor of public accounts, and to the state board of education. The auditor of public accounts may review the report of the independent certified public accountant. After preliminary review, should discrepancies be found, the auditor of public accounts may make his own investigative report or audit to verify the findings of the independent certified public accountant's report.*

(b) *The state board of education may issue regulations governing the operation of the investment pool including, but not limited to, provisions on minimum allowable investments and investment periods, and methods and timing of investments, withdrawals, payment of earnings and assignment of charges.*

SB 303, AN ACT relating to the school facilities construction commission.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 157.615 is amended to read as follows:

As used in KRS 157.611 to 157.640, unless the context requires otherwise:

(1) "Available local revenue" means the sum of the school building fund account balance; the bonding potential of the capital outlay fund; the capital outlay fund account balance; and the general fund balance minus ten percent (10%) of the annual general fund above-the-line budget. These accounts shall be as defined in the manual for Kentucky school financial accounting systems;

(2) "Board of education" means the governing body of a county school district or an independent school district;

(3) "Bonds" or "bonds of the commission" means bonds issued by the commission, or issued by a city or county in accordance with KRS Chapter 162 payable as to principal and interest from rentals received from a board of education or from the department pursuant to a lease or from contributions from the commission, and constitute municipal bonds exempt from taxation under the Constitution of the Commonwealth;

(4) "Department" means the state department of education;

(5) "Equivalent tax rate" means the rate which results when the income from all taxes levied by the district for school purposes is divided by the total assessed value of property plus the assessment for motor vehicles certified by the Commonwealth of Kentucky revenue cabinet;

(6) "Lease" or "lease instrument" means a written instrument for the leasing of one (1) or more school projects executed by the commission as lessor and a board of education as lessee, or executed by the commission as lessor and the department as lessee, as the case may be;

(7) "Percentage discount" means the degree to which the commission will participate in meeting the bond and interest redemption schedule required to amortize bonds issued by the commission on behalf of a local school district;

(8) "Project" means a defined item of need to construct new facilities or to provide major renovation of existing facilities which is identified on the priority schedule of the approved school facilities plan;

(9) "School facilities plan" means the plan developed pursuant to the survey specified by KRS 157.420 and by administrative regulations of the state board of education;

(10) "Unmet need" means the total cost of new construction and major renovation needs as shown by the approved school facilities plan less any available local revenue.

(11) "Eligible district" shall mean any local school district having an unmet need, as defined in this section, in excess of one hundred thousand dollars (\$100,000).

Section 2. KRS 157.622 is amended to read as follows:

The school facilities construction commission shall be governed by the following procedures in providing assistance to school districts for construction purposes:

(1) Upon receipt of the certified statements from the state board of education as required by KRS 157.620, the commission shall compute the unmet needs of all eligible districts as defined by KRS 157.615;

(2) Assistance to each eligible district shall be determined by computing the ratio of the available state funding to total unmet need statewide. Based on the computed ratio, an equivalent percentage of each eligible district's unmet need will be funded;

(3) Each eligible district which has otherwise complied with the provisions of KRS 157.615 and 157.620 shall be offered sufficient funding to finance construction of the portion of its unmet need computed by applying the ratio determined in subsection (2) of this section to the total unmet need of the district. *The funds shall be applied to the projects listed on the facility plan certified to the school facilities construction commission prior to the appropriation of funds, and the funds shall be applied to projects in the priority order listed on the plan. Exceptions to the priority order of projects may be approved by the school facilities construction commission when it is documented by the local board of education and approved by the state board of education upon the recommendation of the superintendent of public instruction that the school district's priority order of needs has changed. The exceptions shall not alter the amount of the offer of assistance;*

(4) *Any school district which met all criteria for first round funding with the school facilities construction commission and which received an offer of assistance from the school facilities construction commission, but which had sold bonds in the sixty (60) days prior to receiving the offer under the assumption that an offer would be made, shall be eligible to receive the assistance for which the district qualified.*

(5) The commission shall establish regulations whereby an eligible district which fails in any budget period to receive an allocation of state funds that is sufficient to fund the district's priority project or portions thereof may accumulate credit, subject to the availability of funds, for its unused state allocation for a period not to exceed four (4) years. Accumulation and retention of credit is contingent upon the transfer of available local revenue to the restricted construction account by June 30 of each year; and

(6) [(5)] All unused state allocations accumulated according to the provisions of subsection (3) of this section shall be reallocated by the commission. The reallocation shall follow the process and intent as set forth in this section with eligible districts being those districts which contribute unused state allocations to the reallocation account. Any district which has an unused state allocation after funding its first priority project in a biennium is not eligible for consideration for additional funds from the reallocation account. Any funding received and utilized from the reallocation account by a district shall equally reduce the credit as set forth in this section.

Section 3. KRS 157.625 is amended to read as follows:

(1) Bonds of the commission shall be issued in the name of the commission, shall be designated "school building revenue bonds" or, if appropriate, "school building revenue refunding bonds," and shall additionally be identified by the name of the board of education executing the lease. If the commission shall issue more than one (1) series of bonds for the same lessee from time to time, each series, including the first or subsequent to the first, shall additionally be identified distinctly by alphabetical or chronological designation, by date

of the bonds, or otherwise as the commission may determine.

(2) For the purpose of determining any limit prescribed by any law for investment of any public funds, or funds of banks, trust companies, insurance companies, building and loan associations, credit unions, pension and retirement funds, and fiduciaries, in obligations of a single obligor, bonds issued by the commission pursuant to KRS 157.615 to 157.640 shall not be deemed to be bonds or obligations of the same obligor except to the aggregate of all series of bonds involving leases of a single board of education.

(3) Bonds issued by the commission under the provisions of KRS 157.615 to 157.640 are hereby made securities in which all public officers and public bodies of the Commonwealth and its political subdivisions, all insurance companies, trust companies, banking associations, investment companies, executors, trustees, and other fiduciaries, and all other persons whatsoever who are now or may hereafter be authorized to invest in bonds or other obligations of a similar nature may properly and legally invest funds, including capital in their control or belonging to them. ~~The [Such]~~ bonds are hereby made securities which may properly and legally be deposited with and received by any state or municipal officer or any agency or political subdivision of the Commonwealth for any purpose for which the deposit of bonds or other obligations of the Commonwealth is now or may hereafter be authorized by law.

(4) Nothing contained herein shall be construed to prohibit a board of education from electing to issue bonds on the local level through a city, county, or other agency and instrumentality of the board of education, and in such event the commission may enter into a participation agreement with the board of education implementing the commission's participation in the financing plan represented by the bonds. In the event of the issuance of bonds on the local level, the board of education may pledge and assign the commission's participation to the issuer to secure the bonds, and may contract with the issuer to permit the collection by the commission or the issuer of rentals due from the board of education under the lease in the event of a failure by the board of education to make the payments in a timely manner.

Section 4. KRS 157.627 is amended to read as follows:

In connection with each bond issue of the commission *as defined in KRS 157.615(3)* it shall be the duty of the commission:

(1) To require the district board of education to insure the project to its full insurable value, or to the amount of the bonds outstanding from time to time, whichever is the less, against the hazards covered by the standard fire insurance policy with standard endorsement of "extended coverage," and to require that a copy of each policy be delivered to the commission for inspection and for its records;

(2) To require periodic accounting from all depositories of funds, the same to be submitted on forms prepared and supplied by the commission;

(3) To furnish to the certified public accountant auditing the district, summary identification and description of each issue, and to request that the financial records of the board of education relating thereto be audited as a part of the annual audit of the board of education, and that a separate statement or report thereof be filed with the commission;

(4) To send to each board of education at least thirty (30) days before the due date of any rental payment a notice of the amount of rental to become due and the date thereof, and to require acknowledgment thereof; and

(5) To receive from the board of education ~~[in the event of failure]~~, satisfactory evidence that sufficient funds have been transmitted to the commission or its agent, or will be so transmitted, *in the event of the board's failure to pay* ~~[for paying]~~ debt service and administrative costs when due, as provided in the lease, to notify and request that the department withhold from the board of education a sufficient portion of any undisbursed funds then held or set aside or allocated to it, and to request that the department transfer the required amount thereof to the commission for the account of the board of education.

Calendar

HB 861, HB 923, SB 336, HB 559, HB 948, SB 179, HB 919, HB 936, HB 924, SB 199, SB 208, SB 209, SB 211, SB 216, SB 264, SCR 68, HB 631, HB 920, HJR 122, SB 258 and SJR 44 taken from

the Calendar and ordered read at length for the second time. Representative Stumbo moved that they be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Consent Calendar

SB 202, SB 301, SCR 83, SB 224, HB 897, HB 898, HB 991 and SB 193 taken from the Consent Calendar and ordered read at length for the second time. Representative Stumbo moved that they be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Orders of the Day

HB 636, with Committee Substitute, Committee Amendment and Floor Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Morris moved the adoption of Committee Substitute to **HB 636**. Agreed.

Representative Morris moved the adoption of Floor Amendment No. 1 to the Committee Substitute to **HB 636**. Agreed.

Representative Morris moved that **HB 636**, by way of Committee Substitute as amended, be passed.

On the roll call the vote was: Yeas 61, Nays 24. (See March 21, 1988 roll call on **HB 636** - Appendix A.)

HB 636, by way of Committee Substitute as amended, was passed and the title agreed to.

Representative Morris moved that the vote by which **HB 636**, by way of Committee Substitute as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

Report on Enrolled Bills

The Committee on Enrollment reported **HB 544** and **HB 596** had been examined and found correctly enrolled. Said Bills read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate. (Time - 2:13 p.m.)

HB 544 and **HB 596** delivered to the Senate, signed by the President. Ordered delivered to the Governor.

Orders of the Day (continued)

Representative Stumbo moved that **HB 382** and **HB 384** be recommitted to the Committee on Health and Welfare. Agreed.

HB 510, with Committee Substitute attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Hancock moved the adoption of Committee Substitute to **HB 510**. Agreed.

Representative Hancock moved that **HB 510**, by way of Committee Substitute, be passed.

On the roll call the vote was: Yeas 83, Nays 2. (See March 21, 1988 roll call on **HB 510** - Appendix A.)

HB 510, by way of Committee Substitute, was passed and the title agreed to.

Representative Hancock moved that the vote by which **HB 510**, by way of Committee Substitute, was

passed be reconsidered and said motion be placed on the table. Agreed.

HB 902 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Siler moved that **HB 902** be passed.

On the roll call the vote was: Yeas 84, Nays 4. (See March 21, 1988 roll call on **HB 902** - Appendix A.)

HB 902 was passed and the title agreed to.

Representative Siler moved that the vote by which **HB 902** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 852 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Lear moved that **HB 852** be passed.

On the roll call the vote was: Yeas 89, Nays 0. (See March 21, 1988 roll call on **HB 852** - Appendix A.)

HB 852 was passed and the title agreed to.

Representative Lear moved that the vote by which **HB 852** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 883 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Lear moved that **HB 883** be passed.

On the roll call the vote was: Yeas 87, Nays 0. (See March 21, 1988 roll call on **HB 883** - Appendix A.)

HB 883 was passed and the title agreed to.

Representative Lear moved that the vote by which **HB 883** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 649, with Committee Amendment and Floor Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Lear moved the adoption of Committee Amendment No. 1 to **HB 649**. Agreed.

Representative Lear moved the adoption of Floor Amendment No. 1 to **HB 649**. Agreed.

Representative Lear moved that **HB 649**, as amended, be passed.

On the roll call the vote was: Yeas 91, Nays 1. (See March 21, 1988 roll call on **HB 649** - Appendix A.)

HB 649, as amended, was passed and the title agreed to.

Representative Lear moved that the vote by which **HB 649**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 723 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Johnson moved that **HB 723** be passed.

On the roll call the vote was: Yeas 91, Nays 0. (See March 21, 1988 roll call on **HB 723** - Appendix A.)

HB 723 was passed and the title agreed to.

Representative Johnson moved that the vote by which **HB 723** was passed be reconsidered and said motion be placed on the table. Agreed.

HJR 126 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Burch moved that **HJR 126** be passed.

On the roll call the vote was: Yeas 91, Nays 1. (See March 21, 1988 roll call on **HJR 126** - Appendix A.)

HJR 126 was passed and the title agreed to.

Representative Burch moved that the vote by which **HJR 126** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 371, with Committee Substitute and Floor Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Barrows moved the adoption of Committee Substitute to **HB 371**. Agreed.

Representative Barrows moved the adoption of Floor Amendment No. 2 to Committee Substitute to **HB 371**. Agreed.

Representative Barrows moved that **HB 371**, by way of Committee Substitute as amended, be passed.

On the roll call the vote was: Yeas 89, Nays 0. (See March 21, 1988 roll call on **HB 371** - Appendix A.)

HB 371, by way of Committee Substitute as amended, was passed and the title agreed to.

Representative Barrows moved that the vote by which **HB 371**, by way of Committee Substitute as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 176, with Committee Substitute and Committee Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative White moved the adoption of Committee Substitute to **HB 176**. Agreed.

Representative White moved that **HB 176**, by way of Committee Substitute, be passed.

On the roll call the vote was: Yeas 91, Nays 3. (See March 21, 1988 roll call on **HB 176** - Appendix A.)

HB 176, by way of Committee Substitute, was passed.

Representative White moved the adoption of the Committee Title Amendment to **HB 176**. Agreed; and the title was agreed to.

Representative White moved that the vote by which **HB 176**, by way of Committee Substitute as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 224, with Committee Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative T. Jones moved the adoption of Committee Amendment No. 1 to **HB 224**. Agreed.

Representative T. Jones moved that **HB 224**, as amended, be passed.

On the roll call the vote was: Yeas 90, Nays 1. (See March 21, 1988 roll call on **HB 224** - Appendix A.)

HB 224, as amended, was passed and the title agreed to.

Representative T. Jones moved that the vote by which **HB 224**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 566, with Committee Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Strong moved the adoption of Committee Amendment No. 1 to **HB 566**. Agreed.

Representative Strong moved that **HB 566**, as amended, be passed.

On the roll call the vote was: Yeas 86, Nays 0. (See March 21, 1988 roll call on **HB 566** - Appendix A.)

HB 566, as amended, was passed and the title agreed to.

Representative Strong moved that the vote by which **HB 566**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 748, with Floor Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative A. Jones moved that **HB 748** be passed.

On the roll call the vote was: Yeas 88, Nays 3. (See March 21, 1988 roll call on **HB 748** - Appendix A.)

HB 748 was passed and the title agreed to.

Representative Stumbo moved that the vote by which **HB 748** was passed be reconsidered and said motion

be placed on the table. Agreed.

HB 805 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative R. Smith moved that **HB 805** be passed.

On the roll call the vote was: Yeas 89, Nays 1. (See March 21, 1988 roll call on **HB 805** - Appendix A.)

HB 805 was passed and the title agreed to.

Representative R. Smith moved that the vote by which **HB 805** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 809, with Committee Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative B. Jones moved the adoption of Committee Amendment No. 1 to **HB 809**. Agreed.

Representative B. Jones moved that **HB 809**, as amended, be passed.

On the roll call the vote was: Yeas 91, Nays 2. (See March 21, 1988 roll call on **HB 809** - Appendix A.)

HB 809, as amended, was passed and the title agreed to.

Representative B. Jones moved that the vote by which **HB 809**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 910 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Donnermeyer moved that **HB 910** be passed.

On the roll call the vote was: Yeas 92, Nays 0. (See March 21, 1988 roll call on **HB 910** - Appendix A.)

HB 910 was passed and the title agreed to.

Representative Donnermeyer moved that the vote by which **HB 910** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 785, with Committee Substitute attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Cline moved the adoption of Committee Substitute to **HB 785**. Agreed.

Representative Cline moved that **HB 785**, by way of Committee Substitute, be passed.

On the roll call the vote was: Yeas 89, Nays 3. (See March 21, 1988 roll call on **HB 785** - Appendix A.)

HB 785, by way of Committee Substitute, was passed and the title agreed to.

Representative Cline moved that the vote by which **HB 785**, by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 565 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Kerr moved that **HB 565** be passed.

On the roll call the vote was: Yeas 93, Nays 0. (See March 21, 1988 roll call on **HB 565** - Appendix A.)

HB 565 was passed and the title agreed to.

Representative Kerr moved that the vote by which **HB 565** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 976 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Clarke moved that **HB 976** be passed.

On the roll call the vote was: Yeas 91, Nays 0. (See March 21, 1988 roll call on **HB 976** - Appendix A.)

HB 976 was passed and the title agreed to.

Representative Clarke moved that the vote by which **HB 976** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 22, with Committee Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Barrows moved the adoption of Committee Amendment No. 1 to **HB 22**. Agreed.

Representative Barrows moved that **HB 22**, as amended, be passed.

On the roll call the vote was: Yeas 95, Nays 0. (See March 21, 1988 roll call on **HB 22** - Appendix A.)

HB 22, as amended, was passed and the title agreed to.

Representative Barrows moved that the vote by which **HB 22**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 458, with Committee Substitute and Floor Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Hancock moved the adoption of Committee Substitute to **HB 458**. Agreed.

Representative Hancock moved the adoption of Floor Amendment No. 1 to Committee Substitute to **HB 458**. Agreed.

Representative Hancock moved that **HB 458**, by way of Committee Substitute as amended, be passed.

On the roll call the vote was: Yeas 90, Nays 2. (See March 21, 1988 roll call on **HB 458** - Appendix A.)

HB 458, by way of Committee Substitute as amended, was passed and the title agreed to.

Representative Hancock moved that the vote by which **HB 458**, by way of Committee Substitute as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 587 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Long moved that **HB 587** be passed.

On the roll call the vote was: Yeas 95, Nays 0. (See March 21, 1988 roll call on **HB 587** - Appendix A.)

HB 587 was passed and the title agreed to.

Representative Long moved that the vote by which **HB 587** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 606, with Committee Substitute attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Noe moved the adoption of Committee Substitute to **HB 606**. Agreed.

Representative Noe moved that **HB 606**, by way of Committee Substitute, be passed.

On the roll call the vote was: Yeas 46, Nays 46. (See March 21, 1988 roll call on **HB 606** - Appendix A.)

HB 606, by way of Committee Substitute, was defeated.

Representative Noe moved that the vote by which **HB 606**, by way of Committee Substitute, was defeated be reconsidered and said motion be placed on the table. Agreed.

HB 618 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Curd moved that **HB 618** be passed.

On the roll call the vote was: Yeas 92, Nays 2. (See March 21, 1988 roll call on **HB 618** - Appendix A.)

HB 618 was passed and the title agreed to.

Representative Curd moved that the vote by which **HB 618** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 754 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved that **HB 754** be passed.

On the roll call the vote was: Yeas 67, Nays 17. (See March 21, 1988 roll call on **HB 754** - Appendix A.)

HB 754 was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 754** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 901 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative O'Brien moved that **HB 901** be passed.

On the roll call the vote was: Yeas 92, Nays 0. (See March 21, 1988 roll call on **HB 901** - Appendix A.)

HB 901 was passed and the title agreed to.

Representative O'Brien moved that the vote by which **HB 901** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 939, with Committee Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Walker moved the adoption of Committee Amendment No. 1 to **HB 939**. Agreed.

Representative Walker moved that **HB 939**, as amended, be passed.

On the roll call the vote was: Yeas 91, Nays 0. (See March 21, 1988 roll call on **HB 939** - Appendix A.)

HB 939, as amended, was passed and the title agreed to.

Representative Walker moved that the vote by which **HB 939**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HJR 115 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Lear moved that **HJR 115** be passed.

On the roll call the vote was: Yeas 85, Nays 3. (See March 21, 1988 roll call on **HJR 115** - Appendix A.)

HJR 115 was passed and the title agreed to.

Representative Lear moved that the vote by which **HJR 115** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 76 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative T. Jones moved that **HB 76** be passed.

On the roll call the vote was: Yeas 94, Nays 1. (See March 21, 1988 roll call on **HB 76** - Appendix A.)

HB 76 was passed and the title agreed to.

Representative T. Jones moved that the vote by which **HB 76** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 623 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative T. Jones moved that **HB 623** be passed.

On the roll call the vote was: Yeas 91, Nays 0. (See March 21, 1988 roll call on **HB 623** - Appendix A.)

HB 623 was passed and the title agreed to.

Representative T. Jones moved that the vote by which **HB 623** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 678, with Committee Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Barrows moved the adoption of Committee Amendment No. 1 to **HB 678**. Agreed.

Representative Barrows moved that **HB 678**, as amended, be passed.

On the roll call the vote was: Yeas 68, Nays 15. (See March 21, 1988 roll call on **HB 678** - Appendix A.)

HB 678, as amended, was passed and the title agreed to.

Representative Barrows moved that the vote by which **HB 678**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 872, with Committee Substitute attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Donnermeyer moved the adoption of Committee Substitute to **HB 872**. Agreed.

Representative Donnermeyer moved that **HB 872**, by way of Committee Substitute, be passed.

On the roll call the vote was: Yeas 89, Nays 0. (See March 21, 1988 roll call on **HB 872** - Appendix A.)

HB 872, by way of Committee Substitute, was passed and the title agreed to.

Representative Donnermeyer moved that the vote by which **HB 872**, by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 959, with Floor Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon

its passage. Agreed by a majority of members elected.

Representative L. Clark moved the adoption of Floor Amendment No. 1 to **HB 959**. Agreed.

Representative L. Clark moved that **HB 959**, as amended, be passed.

On the roll call the vote was: Yeas 82, Nays 3. (See March 21, 1988 roll call on **HB 959** - Appendix A.)

HB 959, as amended, was passed and the title agreed to.

Representative L. Clark moved that the vote by which **HB 959**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HCR 120 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Robinson moved that **HCR 120** be passed.

On the roll call the vote was: Yeas 90, Nays 0. (See March 21, 1988 roll call on **HCR 120** - Appendix A.)

HCR 120 was passed and the title agreed to.

Representative Robinson moved that the vote by which **HCR 120** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 273 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Meyer moved that **SB 273** be passed.

On the roll call the vote was: Yeas 59, Nays 28. (See March 21, 1988 roll call on **SB 273** - Appendix A.)

SB 273 was passed and the title agreed to.

Representative Meyer moved that the vote by which **SB 273** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 249 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Hancock moved that **HB 249** be passed.

On the roll call the vote was: Yeas 90, Nays 1. (See March 21, 1988 roll call on **HB 249** - Appendix A.)

HB 249 was passed and the title agreed to.

Representative Hancock moved that the vote by which **HB 249** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 707, with Committee Substitute attached thereto, taken from the Orders of the Day and ordered

read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Ackerson moved the adoption of Committee Substitute to **HB 707**. Agreed.

Representative Ackerson moved that **HB 707**, by way of Committee Substitute, be passed.

On the roll call the vote was: Yeas 75, Nays 9. (See March 21, 1988 roll call on **HB 707** - Appendix A.)

HB 707, by way of Committee Substitute, was passed and the title agreed to.

Representative Ackerson moved that the vote by which **HB 707**, by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 1021 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Robinson moved that **HB 1021** be passed.

On the roll call the vote was: Yeas 91, Nays 0. (See March 21, 1988 roll call on **HB 1021** - Appendix A.)

HB 1021 was passed and the title agreed to.

Representative Robinson moved that the vote by which **HB 1021** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 705 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Donnermeyer moved that **HB 705** be passed.

On the roll call the vote was: Yeas 90, Nays 0. (See March 21, 1988 roll call on **HB 705** - Appendix A.)

HB 705 was passed and the title agreed to.

Representative Donnermeyer moved that the vote by which **HB 705** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 523, with Committee Amendments and Floor Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Ackerson moved the adoption of Committee Amendment No. 1 to **HB 523**. Agreed.

Representative Ackerson moved the adoption of Committee Amendment No. 2 to **HB 523**. Agreed.

Representative Ackerson moved the adoption of Committee Amendment No. 3 to **HB 523**. Agreed.

Representative Ackerson moved the adoption of Floor Amendment No. 1 to **HB 523**. Rejected.

Representative Ackerson moved that **HB 523**, as amended, be passed.

Representative T. Jones moved that **HB 523** be laid on the Clerk's Desk.

On the roll call the vote was yeas 40-Ark, Callahan, Castleman, Clarke, Crupper, Cürd, Deskins, Donnermeyer, Farrow, Gedling, Geveden, Gray, Gregory, Hancock, Hatcher, Hourigan, Johnson, A. Jones, T. Jones, Kerr, LeMaster, Maggard, McBee, McElroy, Meyer, Moberly, Morris, Noe, Overstreet, Preston, Pritchett, Rapier, Richards, B. Richardson, Ridley, Seum, R. Smith, Strong, Stumbo, White. Nays 32-Adams, Blevins, M. Brown, Bruce, Burch, Casebier, L. Clark, P. Clark, Cline, Ford, Freibert, Guenthner, J. Harper, K. Harper, Heleringer, Keith, Lefevers, Little, Lyne, Mason, Napier, Nett, Northup, O'Brien, Reinhardt, Riner, Siler, B. Smith, Todd, Turner, Walker, Will.

The motion that **HB 523** be laid on the Clerk's Desk was adopted.

HB 843, with Committee Substitute attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative L. Clark moved the adoption of Committee Substitute to **HB 843**. Agreed.

Representative L. Clark moved that **HB 843**, by way of Committee Substitute, be passed.

On the roll call the vote was: Yeas 95, Nays 0. (See March 21, 1988 roll call on **HB 843** - Appendix A.)

HB 843, by way of Committee Substitute, was passed and the title agreed to.

Representative L. Clark moved that the vote by which **HB 843**, by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 928 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Deskins moved that **HB 928** be passed.

On the roll call the vote was: Yeas 82, Nays 7. (See March 21, 1988 roll call on **HB 928** - Appendix A.)

HB 928 was passed and the title agreed to.

Representative Deskins moved that the vote by which **HB 928** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 490 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Stumbo moved that **HB 490** be passed.

On the roll call the vote was: Yeas 86, Nays 1. (See March 21, 1988 roll call on **HB 490** - Appendix A.)

HB 490 was passed and the title agreed to.

Representative Stumbo moved that the vote by which **HB 490** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 1008, with Committee Amendment attached thereto, taken from the Orders of the Day and ordered

read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Barrows moved the adoption of Committee Amendment No. 1 to **HB 1008**. Agreed.

Representative Barrows moved that **HB 1008**, as amended, be passed.

On the roll call the vote was: Yeas 92, Nays 0. (See March 21, 1988 roll call on **HB 1008** - Appendix A.)

HB 1008, as amended, was passed and the title agreed to.

Representative Barrows moved that the vote by which **HB 1008**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 791 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative P. Richardson moved that **HB 791** be passed.

On the roll call the vote was: Yeas 91, Nays 0. (See March 21, 1988 roll call on **HB 791** - Appendix A.)

HB 791 was passed and the title agreed to.

Representative P. Richardson moved that the vote by which **HB 791** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 886 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative B. Smith moved that **HB 886** be passed.

On the roll call the vote was: Yeas 86, Nays 0. (See March 21, 1988 roll call on **HB 886** - Appendix A.)

HB 886 was passed and the title agreed to.

Representative B. Smith moved that the vote by which **HB 886** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 896, with Committee Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Gedling moved the adoption of Committee Amendment No. 1 to **HB 896**. Agreed.

Representative Gedling moved that **HB 896**, as amended, be passed.

On the roll call the vote was: Yeas 88, Nays 3. (See March 21, 1988 roll call on **HB 896** - Appendix A.)

HB 896, as amended, was passed and the title agreed to.

Representative Gedling moved that the vote by which **HB 896**, as amended, was passed be reconsidered

and said motion be placed on the table. Agreed.

HB 987 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Ark moved that **HB 987** be passed.

On the roll call the vote was: Yeas 88, Nays 3. (See March 21, 1988 roll call on **HB 987** - Appendix A.)

HB 987 was passed and the title agreed to.

Representative Ark moved that the vote by which **HB 987** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 990, with Committee Substitute attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Hancock moved the adoption of Committee Substitute to **HB 990**. Agreed.

Representative Hancock moved that **HB 990**, by way of Committee Substitute, be passed.

On the roll call the vote was: Yeas 94, Nays 1. (See March 21, 1988 roll call on **HB 990** - Appendix A.)

HB 990, by way of Committee Substitute, was passed and the title agreed to.

Representative Hancock moved that the vote by which **HB 990**, by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HCR 109 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Riner moved that **HCR 109** be passed.

On the roll call the vote was: Yeas 88, Nays 0. (See March 21, 1988 roll call on **HCR 109** - Appendix A.)

HCR 109 was passed and the title agreed to.

Representative Riner moved that the vote by which **HCR 109** was passed be reconsidered and said motion be placed on the table. Agreed.

HCR 110 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Clarke moved that **HCR 110** be passed.

On the roll call the vote was: Yeas 89, Nays 1. (See March 21, 1988 roll call on **HCR 110** - Appendix A.)

HCR 110 was passed and the title agreed to.

Representative Clarke moved that the vote by which **HCR 110** was passed be reconsidered and said motion be placed on the table. Agreed.

HJR 123 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Hatcher moved that **HJR 123** be passed.

On the roll call the vote was: Yeas 87, Nays 0. (See March 21, 1988 roll call on **HJR 123** - Appendix A.)

HJR 123 was passed and the title agreed to.

Representative Hatcher moved that the vote by which **HJR 123** was passed be reconsidered and said motion be placed on the table. Agreed.

HCR 131 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Barrows moved that **HCR 131** be passed.

On the roll call the vote was: Yeas 86, Nays 0. (See March 21, 1988 roll call on **HCR 131** - Appendix A.)

HCR 131 was passed and the title agreed to.

Representative Barrows moved that the vote by which **HCR 131** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 504, with Senate Amendment attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Committee Amendment No. 1 to **HB 504** is as follows:

Amend printed copy of **HB 504** on page 1, line 3, after the word "president" by placing brackets around and striking through the word "for"; and

on page 1, line 3, by deleting "*a two (2) year term, which*"; and

on page 1, line 4, by deleting line 4 in its entirety; and

on page 1, line 5, by deleting "*board which elects him*".

Representative Nett moved that the House concur in Senate Committee Amendment No. 1 to **HB 504**. Agreed

Representative Nett moved that **HB 504**, as amended by the Senate, be passed.

On the roll call the vote was: Yeas 87, Nays 0. (See March 21, 1988 roll call on **HB 504** - Appendix A.)

HB 504, as amended by the Senate, was passed and the title agreed to.

Representative Nett moved that the vote by which **HB 504**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 240, with Senate Committee Substitute attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Committee Substitute to **HB 240** is as follows:

HB 240, AN ACT relating to planning and zoning.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 100.237 is amended to read as follows:

The board shall have the power to hear and decide applications for conditional use permits to allow the proper integration into the community of uses which are specifically named in the zoning regulations which may be suitable only in specific locations in the zone only if certain conditions are met:

(1) The board may approve, modify, or deny any application for a conditional use permit. If it approves such permit it may attach necessary conditions such as time limitations, requirements that one or more things be done before the request can be initiated, or conditions of a continuing nature. Any such conditions shall be recorded in the board's minutes and on the conditional use permit, along with a reference to the specific section in the zoning regulation listing the conditional use under consideration. The board shall have power to revoke conditional use permits, or variances for noncompliance with the condition thereof. Furthermore, the board shall have a right of action to compel offending structures or uses removed at the cost of the violator and may have judgment in personam for such cost.

(2) Granting of a conditional use permit does not exempt the applicant from complying with all of the requirements of building, housing and other regulations.

(3) In any case where a conditional use permit has not been exercised within the time limit set by the board, or within one (1) year, if no specific time limit has been set, such conditional use permit shall not revert to its original designation unless there has been a public hearing. "Exercised," as set forth in this section, shall mean that binding contracts for the construction of the main building or other improvement have been let; or in the absence of contracts that the main building or other improvement is under construction to a substantial degree; or that prerequisite conditions involving substantial investment under contract, in development, are completed. When construction is not a part of the use, "exercised" shall mean that the use is in operation in compliance with the conditions as set forth in the permit.

(4) The administrative official shall review all conditional use permits, except those for which all conditions have been permanently satisfied, at least once annually and shall have the power to inspect the land or structure where the conditional use is located in order to ascertain that the landowner is complying with all of the conditions which are listed on the conditional use permit. If the landowner is not complying with all of the conditions listed on the conditional use permit, the administrative official shall report the fact in writing to the chairman of the board of adjustment. The report shall state specifically the manner in which the landowner is not complying with the conditions on the conditional use permit, and a copy of the report shall be furnished to the landowner at the same time that it is furnished to the chairman of the board of adjustment. The board shall hold a hearing on the report within a reasonable time, and notice of the time and place of the hearing shall be furnished to the landowner at least one (1) week prior to the hearing. If the board of adjustment finds that the facts alleged in the report of the administrative official are true and that the landowner has taken no steps to comply with them between the date of the report and the date of the hearing, the board of adjustment may authorize the administrative official to revoke the conditional use permit and take the necessary legal action to cause the termination of the activity on the land which the conditional use permit authorizes.

(5) Once the board of adjustment has completed a conditional use permit and all the conditions required are of such type that they can be completely and permanently satisfied, the administrative official, upon request of the applicant, may, if the facts warrant, make a determination that the conditions have been satisfied, and enter the facts which indicate that the conditions have been satisfied and the conclusion in the margin of the copy of the conditional use permit which is on file with the county clerk, as required in KRS 100.329. Thereafter said use, if it continues to meet the other requirements of the regulations, will be treated as a permitted use.

(6) When an application is made for a conditional use permit for land located within or abutting any

residential zoning district, written notice shall be given at least fourteen (14) days in advance of the public hearing on the application to the applicant, administrative official, *the mayor and city clerk of any city of the fifth or sixth class, so affected, within any county containing a city of the first class* an owner of every parcel of property adjoining the property to which the application applies and such other persons as the local zoning ordinance, regulations or board of adjustment bylaws shall direct. Written notice shall be by first class mail with certification by the board's secretary or other officer that the notice was mailed. It shall be the duty of the applicant to furnish to the board the name and address of an owner of each parcel of property as described in this subsection. Records maintained by the property valuation administrator may be relied upon *conclusively* to determine the identity and address of said owner. In the event such property is in condominium or cooperative forms of ownership, then the person notified by mail shall be the president or chairperson of the owner group which administers property commonly owned by the condominium or cooperative owners. *A joint notice may be mailed to two (2) or more co-owners of an adjoining property who are listed in the property valuation administrator's records as having the same address.*

Section 2. KRS 100.212 is amended to read as follows:

When in any planning unit except for a planning unit containing a city of the first class, a hearing is scheduled on a proposal by a property owner to amend any zoning map, the following notice shall be given in addition to any other notice required by statute, local regulation or ordinance:

(1) Notice of the hearing shall be posted conspicuously on the property the classification of which is proposed to be changed for fourteen (14) consecutive days immediately prior to the hearing. Posting shall be as follows:

(a) The sign shall state "zoning change" and the proposed classification change in letters three (3) inches in height. The time, place and date of hearing shall be in letters at least one (1) inch in height; and

(b) The sign shall be constructed of durable material and shall state the telephone number of the appropriate zoning commission; and

(2) Notice of the hearing shall be given at least fourteen (14) days in advance of the hearing by first class mail, with certification by the commission secretary or other officer of the planning commission that the notice was mailed to an owner of every parcel of property adjoining the property the classification of which is proposed to be changed. It shall be the duty of the person or persons proposing the map amendment to furnish to the planning commission the names and addresses of the owners of all adjoining property. Records maintained by the property valuation administrator may be relied upon *conclusively* to determine the identity and address of said owner. In the event such property is in condominium or cooperative forms of ownership, then the person notified by mail shall be the president or chairman of the owner group which administers property commonly owned by the condominium or cooperative owners. *A joint notice may be mailed to two (2) or more co-owners of an adjoining property who are listed in the property valuation administrator's records as having the same address.*

Section 3. KRS 100.214 is amended to read as follows:

When in any planning unit containing any portion of a county containing a city of the first class a hearing is scheduled on a proposal by a property owner to amend any zoning map the following notice shall be given in addition to any other notice required by statute by local regulation or ordinance to be given:

(1) Notice of the hearing shall be posted conspicuously on the property the classification of which is proposed to be changed thirty (30) days immediately prior to the hearing. Posting shall be as follows:

(a) The sign shall state "zoning change" and the proposed classification change in letters three (3) inches in height. The time, place and date of hearing shall be in letters at least one (1) inch in height; and

(b) The sign shall be constructed of durable material and shall state the telephone number of the appropriate zoning commission;

(2) Notice of the hearing shall be given at least thirty (30) days in advance of the hearing by first class mail, with certification by the commission secretary or other officer of the planning commission that the notice was mailed, *to the mayor and city clerk of any city of the fifth or sixth class so affected* to an owner

of every parcel of property adjoining at any point the property the classification of which is proposed to be changed, to an owner of every parcel of property directly across the street from said property, and to an owner of every parcel of property which adjoins at any point the adjoining property or the property directly across the street from said property; provided, however, that no first-class mail notice, required by this subsection, shall be required to be given to any property owner whose property is more than five hundred (500) feet from the property which is proposed to be changed. It shall be the duty of the person or persons proposing the map amendment to furnish to the planning commission the names and addresses of the owners of all property as described in this subsection. Records maintained by the property valuation administrator may be relied upon *conclusively* to determine the identity and address of said owner. In the event such property is in condominium or cooperative forms of ownership, then the person notified by mail shall be the president or chairman of the owner group which administers property commonly owned by the condominium or cooperative owners. *A joint notice may be mailed to two (2) or more co-owners of an adjoining property who are listed in the property valuation administrator's records as having the same address;*

(3) If the hearing has been scheduled for a time during normal working hours, and if, within fifteen (15) days of the scheduled date of the hearing the planning commission shall receive a petition from two hundred (200) property owners living within the planning unit requesting that the hearing be rescheduled for a time after normal working hours, then the planning commission shall reschedule the hearing for a time after normal working hours on a date no earlier than the date of the original hearing. The planning commission shall then publish notice of the new hearing time and date according to the provisions of KRS 100.211, except that notice shall occur at least seven (7) days prior to the public hearing. The sign required by subsection (1) of this section shall be changed to reflect the new hearing time and date at least seven (7) days prior to the public hearing. The persons who receive mail notice according to the provisions of subsection (2) of this section shall again be notified in the same manner of the new hearing time and date at least seven (7) days prior to the hearing. The hearing time shall not be changed more than once by the procedures of this section except in the event of intervening emergency which requires the cancellation of a hearing; and

(4) Notice by mail shall include a list of the names and addresses of each person so notified, and a description of the procedure by which those notified can petition for a change in the hearing time.

Section 4. KRS 100.243 is amended to read as follows:

(1) Before any variance is granted, the board must find *that the granting of the variance will not adversely affect the public health, safety or welfare, will not alter the essential character of the general vicinity, will not cause a hazard or a nuisance to the public, and will not allow an unreasonable circumvention of the requirements of the zoning regulations. In making these findings, the board shall consider whether:*

(a) *The requested variance arises from special circumstances which do not generally apply to land in the general vicinity, or in the same zone;*

(b) *The strict application of the provisions of the regulation would deprive the applicant of the reasonable use of the land or would create an unnecessary hardship on the applicant; and*

(c) *The circumstances are the result of actions of the applicant taken subsequent to the adoption of the zoning regulation from which relief is sought.*

(2) *The board shall deny any request for a variance arising from circumstances that are the result of willful violations of the zoning regulation by the applicant subsequent to the adoption of the zoning regulation from which relief is sought. [all of the following, which shall be recorded along with any imposed conditions or restrictions in its minutes and records and issued in written form to the applicant to constitute proof of the variance:*

(1) *The requested variance arises from special circumstances which do not generally apply to land in the general vicinity, or in the same zone;*

(2) *The strict application of the provisions of the regulation would deprive the applicant of a reasonable use of the land or would create an unnecessary hardship on the applicant;*

(3) *Such special circumstances are not the result of actions of the applicant taken subsequent to the adoption of the zoning regulation; and*

(4) ~~Reasons that the variance will not adversely affect the public health, safety and welfare, and will not alter the essential character of the general vicinity, and will not cause a hazard or a nuisance to the public.]~~

Section 5. KRS 100.277 is amended to read as follows:

(1) All subdivision of land shall receive commission approval.

(2) No person or his agent shall subdivide any land, before securing the approval of the planning commission of a plat designating the areas to be subdivided, and no plat of a subdivision of land within the planning unit jurisdiction shall be recorded by the county clerk until the plat has been approved by the commission and the approval entered thereon in writing by the chairman, secretary, or other duly authorized officer of the commission.

(3) No person owning land composing a subdivision, or his agent, shall transfer or sell ~~or agree to sell~~ any lot or parcel of land located within a subdivision by reference to, or by exhibition, or by any other use of a plat of such subdivision, before such plat has received final approval of the planning commission and has been recorded. Any such instrument of transfer ~~or sale~~ ~~or contract~~ shall be void and shall not be subject to be recorded unless the subdivision plat subsequently receives final approval of the planning commission, but all rights of such purchaser to damages are hereby preserved. The description of such lot or parcel by metes and bounds in any ~~contract or~~ instrument of transfer or other document used in the process of selling or transferring same shall not exempt the person attempting to transfer from penalties provided or deprive the purchaser of any rights or remedies he may otherwise have. *Provided, however, any person, or his agent, may agree to sell any lot or parcel of land located within a subdivision by reference to an unapproved or unrecorded plat or by reference to a metes and bounds description of such lot and any such executory contract of sale or option to purchase may be recorded and shall be valid and enforceable so long as the subdivision of land contemplated therein is lawful and the subdivision plat subsequently receives final approval of the planning commission.*

(4) Any street or other public ground which has been dedicated shall not be accepted for maintenance by the legislative body until it has received final plat approval by the planning commission.

Section 6. KRS 100.281 is amended to read as follows:

Subdivision regulations shall be based on the comprehensive plan, in those counties which have adopted a comprehensive plan, and all subdivision regulations shall contain:

(1) The procedure for the submission and approval of preliminary and final plat and the recordation of final plats. The commission may delegate to its secretary or any other officer or employe the power to approve plats in accordance with the commission's adopted requirements, but all plats, preliminary and final, shall be approved or disapproved within ninety (90) days;

(2) Specifications for the contents and the format of all subdivision plats;

(3) Requirements for the design of streets, blocks, lots, utilities, recreation areas, other facilities, hazardous areas, and areas subject to flooding. Such requirements may deal with all forms of land use including residential, commercial, industrial, and other uses;

(4) Specifications for the physical improvements of streets, utilities, and other facilities, and the extent to which they shall be installed or dedicated as conditions precedent to approval of any plat, including the provision of good and sufficient surety to insure proper completion of physical improvements; and

(5) Specifications for the extent to which land is to be used for public purposes shall be reserved as a condition precedent to approval by the commission of any subdivision plat. The planning commission may require a reservation, not to exceed two (2) years, for parks, open space, school and other public uses. --

(6) *The text may empower the planning commission to hear and finally decide applications for variances when a proposed development requires a subdivision and one (1) or more variances.*

(7) *In any regulation adopted pursuant to subsection (6) of this section:*

(a) *The text shall provide that the planning commission shall assume all powers and duties otherwise exercised by the board of adjustments pursuant to KRS 100.231, 100.233, 100.239, 100.241, 100.243, 100.247 and 100.251 in a circumstance provided for by subsection (6) of this section; and*

(b) *The text shall provide that the applicant for the subdivision at the time of the filing of the application for the subdivision may elect to have any variances for the same development to be heard and finally decided by the planning commission at the same public hearing set for the subdivision, or by the board of adjustment as otherwise provided for in this chapter.*

Section 7. KRS 100.324 is amended to read as follows:

(1) All other provisions of this chapter to the contrary notwithstanding public utilities operating under the jurisdiction of the public service commission or the department of vehicle regulation or federal power commission, any municipally owned electric system, and common carriers by rail shall not be required to receive the approval of the planning unit for the location or relocation of any of their service facilities. Service facilities include all facilities of such utilities and common carriers by rail other than office space, garage space, and warehouse space and include office space, garage space, and warehouse space when such space is incidental to a service facility. The public service commission and the department of vehicle regulation shall give notice to the planning commission of any planning unit of any hearing which effects locations or relocations of service facilities within that planning unit's jurisdiction.

(2) The nonservice facilities excluded in subsection (1) of this section must be in accordance with the zoning regulations.

(3) Upon the request of the planning commission, the public utilities referred to in this section shall provide the planning commission of the planning unit affected with information concerning service facilities which have been located on and relocated on private property.

(4) *Any proposal* ~~[All proposals]~~ *for acquisition* ~~[acquisitions]~~ *or disposition of land for public facilities, or changes in the character, location or extent of structures or land for public facilities, excluding state and federal highways and public utilities and common carriers by rail mentioned in this section, shall be referred to the commission to be reviewed* ~~[review it]~~ *in* ~~[the]~~ *light of its agreement with the comprehensive plan, and the commission shall, within sixty (60) days from the date of its receipt, review the project and advise the referring body whether the project is in accordance with the comprehensive plan;* ~~and whether it approves or disapproves of the project~~. *If it disapproves of the project, it shall state the reasons for disapproval in writing and make suggestions for changes which will, in its opinion, better accomplish the objectives of the comprehensive plan. No permit required for construction or occupancy of such public facilities shall be issued until the expiration of the sixty (60) day period or until the planning commission issues its report, whichever occurs first.* ~~[A majority of the entire membership of the legislative body may override this disapproval of the commission.]~~

Section 8. KRS 100.347 is amended to read as follows:

(1) Any person or entity claiming to be injured or aggrieved by any final action of the board of adjustment shall appeal from the action to the circuit court of the county in which the property, which is the subject of the action of the board of adjustment, lies. Such appeal shall be taken within thirty (30) days after the final action of the board. All final actions which have not been appealed within thirty (30) days shall not be subject to judicial review. The board of adjustment shall be a party in any such appeal filed in the circuit court.

(2) Any person or entity claiming to be injured or aggrieved by any final action of the planning commission shall appeal from the final action to the circuit court of the county in which the property, which is the subject of the commission's action, lies. Such appeal shall be taken within thirty (30) days after such action. Such action shall not include the commission's recommendations made to other governmental bodies. All final actions which have not been appealed within thirty (30) days shall not be subject to judicial review. Provided, however, any appeal of a planning commission action granting or denying a variance or conditional use permit authorized by KRS 100.203(5) shall be taken pursuant to this subsection. In such case, the thirty (30) day period for taking an appeal begins to run at the time the legislative body grants or denies the map amendment for the same development. The planning commission shall be a party in any such appeal filed in the circuit

court.

(3) Any person or entity claiming to be injured or aggrieved by any final action of the legislative body of any city, county or urban-county government, relating to a map amendment shall appeal from the action to the circuit court of the county in which the property, which is the subject of the map amendment, lies. Such appeal shall be taken within thirty (30) days after the final action of the legislative body. All final actions which have not been appealed within thirty (30) days shall not be subject to judicial review. The legislative body shall be a party in any such appeal filed in the circuit court.

(4) *The owner of the subject property and applicants who initiated the proceeding shall be made parties to the appeal. Other persons speaking at the public hearing [in favor of the decision being appealed] are not required to be made parties to such appeal.*

(5) *For purposes of this chapter, final action shall be deemed to have occurred on the calendar date when the vote is taken to approve or disapprove the matter pending before the body.*

Section 9. KRS 100.211 is amended to read as follows:

(1) A proposal for amendment to any zoning regulation may originate with the planning commission of the unit, with any fiscal court or legislative body which is a member of the unit, or with the owner of the property in question. Regardless of the origin of the proposed amendment, it shall be referred to the planning commission before adoption. The planning commission shall then hold at least one (1) public hearing after notice as required by KRS Chapter 424 and make recommendations to the various legislative bodies or fiscal courts involved, and it shall take a majority of the entire legislative body or fiscal court to override the recommendation of the planning commission.

(2) All procedures for public notice and publication as well as for adoption shall be the same as for the original enactment of a zoning regulation, and the notice of publication shall include the street address of the property in question, or if one is not available, or if it is not practicable due to the number of addresses involved, a geographic description sufficient to locate and identify the property, and the names of the two (2) streets on either side of the property which intersect the street on which the property is located. If the property is located at the intersection of two (2) streets, the notice shall designate the intersection by name of both streets rather than name the two (2) streets on either side of the property.

(3) *The fiscal court or legislative body shall take final action upon a proposed zoning map amendment within ninety (90) days of the date upon which the planning commission takes its final action upon such proposal.*

SECTION 10. A NEW SECTION OF KRS 100.201 TO 100.215 IS CREATED TO READ AS FOLLOWS:

(1) *Subject to KRS 100.137(2), nothing in this chapter shall preclude the legislative bodies and fiscal courts of cities and counties comprising a planning unit from enacting a land use regulation which places all property within their respective jurisdictions in a single zone and addressing all land use proposals therein as conditional use permits.*

(2) *The text of any land use regulation enacted pursuant to this section need not comply with the provisions of KRS 100.203, and may provide that the planning commission shall assume all powers and duties of a board of adjustment as provided in KRS 100.217 to 100.263. Any appeal from an action of the planning commission in granting or denying a variance or conditional use permit shall be taken pursuant to KRS 100.347(2).*

SECTION 11. A NEW SECTION OF KRS CHAPTER 100 IS CREATED TO READ AS FOLLOWS:

Except as provided in KRS 100.137(2), nothing contained in this chapter shall be construed or implied as requiring the legislative bodies of cities and counties comprising the same joint planning unit to adopt identical zoning regulations. Nor shall the adoption or amendment of a zoning regulation by the legislative body of any city or county contained within a joint planning unit be made contingent on the adoption or amendment of such zoning regulation by the legislative body of any other city or county within the planning unit.

Representative Lear moved that the House concur in Senate Committee Substitute to **HB 240**. Agreed

Representative Lear moved that **HB 240**, as amended by the Senate, be passed.

On the roll call the vote was: Yeas 88, Nays 1. (See March 21, 1988 roll call on **HB 240** - Appendix A.)

HB 240, as amended by the Senate, was passed and the title agreed to.

Representative Lear moved that the vote by which **HB 240**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 37, with Senate Amendment attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Committee Amendment No. 1 to **HB 37** is as follows:

Amend printed copy of **HB 37** on page 6, line 9, after the word "public" and before the "." insert the following: *"and shall meet at least once every quarter and notice of such be given in accordance with KRS 424.110 through KRS 424.210"*

Representative Barrows moved that the House refuse to concur in Senate Committee Amendment No. 1 to **HB 37**. Rejected.

Representative Nett moved that **HB 37**, as amended by the Senate, be passed.

On the roll call the vote was: Yeas 58, Nays 20. (See March 21, 1988 roll call on **HB 37** - Appendix A.)

HB 37, as amended by the Senate, was passed and the title agreed to.

Representative Nett moved that the vote by which **HB 37**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 324, with Senate Amendment attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Committee Amendment No. 1 to **HB 324** is as follows:

Amend printed copy of **HB 324** on page 1, line 3, by deleting "A leasehold interest in" and inserting in lieu thereof "*Leased*"; and

on line 4, by deleting "*leasehold interest*" and inserting in lieu thereof "*property*"; and

on line 9, by deleting "*a leasehold interest in*" and

on line 20, by deleting the phrase "*by action in Franklin Circuit Court*" and inserting in lieu thereof the following: "*as provided in KRS 134.500*";

on page 2, line 6, by deleting "*leasehold interest*" and inserting in lieu thereof "*leased property*"; and

on line 11, by deleting "*leasehold*";

on page 3, line 9, after the word "state" by inserting the following language: "*as provided in KRS 134.500*".

Representative M. Brown moved that the House concur in Senate Committee Amendment No. 1 to **HB 324**. Agreed

Representative M. Brown moved that **HB 324**, as amended by the Senate, be passed.

On the roll call the vote was: Yeas 86, Nays 3. (See March 21, 1988 roll call on **HB 324** - Appendix A.)

HB 324, as amended by the Senate, was passed and the title agreed to.

Representative M. Brown moved that the vote by which **HB 324**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 25, with Senate Committee Substitute attached thereto, taken from Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

Representative Long moved the adoption of the following Free Conference Committee Report on **HB 25**. Agreed.

The free conference committee has met as provided in the rules of the House and Senate and hereby reports the following to be adopted:

SCS for **HB 25** with the following changes:

On page 1, delete lines 13, 14, 17, 18 and 21, and renumber the subsections to conform; and

On page 2, delete line 1, and renumber subsection (9) to conform.

Direct the clerk, on enrollment, to make appropriate section number changes to conform with this report.

Signed by: Sen. Ed Ford, Sen. John Weaver; Rep. Bob Jones, Rep. Danny Ford, Rep. Marshall Long

The above-named members, in separate votes by house, all concur in the provisions of this report.

Representative Long moved that **HB 25**, as amended by the Free Conference Committee Report, be passed.

On the roll call the vote was: Yeas 66, Nays 21. (See March 21, 1988 roll call on **HB 25** - Appendix A.)

HB 25, as amended by the Free Conference Committee Report, was passed and the title agreed to.

Representative Long moved that the vote by which **HB 25**, as amended by the Free Conference Committee Report, was passed be reconsidered and said motion be placed on the table. Agreed.

Senate Message

Announcing the passage of **SB 320**.

Recess

Representative Stumbo moved that the House recess for five minutes for a meeting of the Committee on Rules. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Motions, Petitions and Communications

Representative Siler moved the rules be suspended to act upon a Legislative Citation. Agreed.

Representative Siler moved the adoption of Legislative Citation No. 101. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby recognizes and cites CUMBERLAND COLLEGE on the celebration of 100 years of educational excellence. The "College of the Kentucky Mountains" has produced doctors, lawyers, professional men and women in all walks of life, as well as a congressman and two governors. The goal of Cumberland is the same today as it was in 1889—to provide a first class education at rates that are compatible with the means of the mountain people. It is especially noteworthy to recognize the strong commitment of the students for Christian life and the emphasis they put on those traditions. Also, with 65% of your graduates staying in Appalachia or returning after graduate school, the knowledge gained by the students stays in the region.

The House of Representatives joins Representative Charles Siler in saluting you for your achievements of the past and encourages you in your endeavors for the future.

Representative Siler moved that a call of the roll be taken to show co-sponsors of Legislative Citation No. 101. Agreed.

The following members requested that their names be added as Co-Sponsors of Citation No. 101: Ballard, Blandford, Bruce, Casebier, P. Clark, Cline, Cyrus, Jackson, A. Jones, T. Jones, Keith, Long, Maggard, Noe, Priddy, Reinhardt, Robinson, Siler, Strong, Turner, Walker, White, Worthington.

Representative Riner moved that the rules be suspended to introduce and act upon a Resolution. Agreed.

HR 178. by Representative Riner: A RESOLUTION honoring Israel on its 40th independence day.

Representative Riner moved the adoption of the following **HR 178**:

HR 178. A RESOLUTION honoring Israel on its 40th independence day.

WHEREAS, the State of Israel is a fulfillment of the Lord's promise to Abraham as recorded in Genesis 12:2 "I will make you a great nation; I will bless you and make your name great and you shall be a blessing."; and

WHEREAS, the State of Israel redeems the Biblical promise of a homeland for the Jewish people - a land which affirms Jewish freedom and independence and underscores the extraordinary relationship between a people, its faith and its land; and

WHEREAS, the land of Israel remained the focus of the Jewish faith and national aspirations during two thousand years of exile and hardship; and

WHEREAS, the United Nations in 1948 recognized the State of Israel as a free and independent nation; and

WHEREAS, since its establishment 40 years ago in 1948, Israel has rebuilt a nation, forged a new society, created an economic, cultural, academic and military infrastructure and emerged as a symbol of democracy and freedom; and

WHEREAS; despite the heavy costs of war, terrorism and economic boycott, the people of Israel have never relinquished their fervent desire to live in peace with their neighbors and with all nations of the world; and

WHEREAS, Israel is a model for democratic nations, guaranteeing freedom of speech, press, assembly and religion, and freely electing a Parliament representing a politically diverse population; and

WHEREAS, the many faiths for whom the Land of Israel is holy are free to practice their religion and to worship at the holy sites; and

WHEREAS, the State of Israel has redeemed and absorbed hundreds of thousands of Jews from disparate

countries and cultures, many of them survivors of the Holocaust (the most horrible crime in history) or refugees driven from Arab countries, and integrated them into a society whose roots extend back thousands of years; and

WHEREAS, Israel has shared the benefits of industrial, agricultural and medical achievements with many nations helping them combat hunger, poverty and underdevelopment; and

WHEREAS, the American people recognize our country's affinity for Israel and regard her as a stalwart ally and strategic asset; and

WHEREAS, Genesis 12:3 records the Lord's promise to those who stand with His people: "I will bless those who bless you and I will curse him who curses you; and in you all the families of the earth shall be blessed.";

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House of Representatives hereby goes on record in support of the State of Israel.

Section 2. That the House of Representatives hereby salutes Israel's historic achievements on her 40th anniversary, supports her search for freedom and peace and joins her in celebration.

Section 3. That a copy of this resolution be presented on this the 21st day of March, 1988, for transmittal to the Knesset, the Parliament of the State of Israel, Jerusalem, Israel and to Prime Minister Yitzhak Shamir, Jerusalem, Israel.

HR 178 was adopted by voice vote.

Representative T. Jones moved that the rules be suspended to introduce and act upon a Resolution. Agreed.

HR 177, by Representative T. Jones: A RESOLUTION welcoming Paul Troseth, of Hegra, Norway, as a visitor to the Commonwealth of Kentucky.

Representative T. Jones moved the adoption of the following HR 177:

HR 177. A RESOLUTION welcoming Paul Troseth, of Hegra, Norway, as a visitor to the Commonwealth of Kentucky.

WHEREAS, Paul Troseth, of Hegra, Norway, is visiting the Commonwealth of Kentucky during the week of March 20 through March 27; and

WHEREAS, this is Paul Troseth's first visit to the United States; and

WHEREAS, Paul Troseth is a member of the Norwegian Military;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House of Representatives is proud to welcome Paul Troseth to the Commonwealth of Kentucky.

Section 2. That the House of Representatives hopes that Mr. Troseth enjoys spring time in Kentucky and encourages him to sample some of the many fine Kentucky products and foods not available in Norway.

Section 3. That the House of Representatives wishes Mr. Troseth a good visit in Frankfort and a safe

journey home to Hegra, Norway.

Section 4. That a copy of this resolution be transmitted to Paul Troseth.

HR 177 was adopted by voice vote.

Representative T. Jones moved that **HB 523** be taken from the Clerk's Desk and placed in the Orders of the Day, March 22, 1988.

On the roll call the vote was yeas 47-Ackerson, Allen, Ark, Arnold, Ballard, Blandford, Blevins, J. Brown, M. Brown, Bruce, Callahan, Casebier, L. Clark, P. Clark, Cyrus, Ford, Freibert, Gedling, Geveden, Hancock, K. Harper, Heleringer, Jackson, Johnson, A. Jones, T. Jones, Kerr, Lefevvers, Mack, McElroy, Moberly, Morris, Nett, Noe, Noland, Northup, O'Brien, Priddy, Reinhardt, Scorsone, Siler, Strong, Todd, Turner, Walker, White, Worthington. Nays 22-Bronger, Castleman, Crupper, Farrow, Handy, Hatcher, Hourigan, Lear, LeMaster, Little, Maggard, Meyer, Overstreet, Pritchett, Rapier, B. Richardson, P. Richardson, Ridley, Seum, B. Smith, R. Smith, Stumbo.

The motion to take **HB 523** from the Clerk's Desk and placed in the Orders of the Day, March 22, 1988 was adopted.

Representative Blevins moved that the rules be suspended to introduce and act upon a resolution. Agreed.

HR 183, by Representatives Blevins and L. Clark: A RESOLUTION wishing Representative Jim Yates a quick recovery.

Representative Blevins moved the adoption of the following **HR 183**:

HR 183, A RESOLUTION wishing Representative Jim Yates a quick recovery.

WHEREAS, Representative Jim Yates was recently stricken with a back injury and is currently in traction; and

WHEREAS, his colleagues are anxious for his return and hope he will have a quick recovery;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That our wishes regarding his return and his good health be conveyed to Representative Yates.

Section 2. That a copy of this resolution be sent to Representative Yates.

HR 183 was adopted by voice vote.

Representative Blevins moved that a call of the roll be taken to show co-sponsors of **HR 183**. Agreed.

The following members requested that their names be added as Co-Sponsors of **HR 183**: Ackerson, Adams, Adkins, Allen, Altman, Ark, Ballard, Blandford, Bronger, J. Brown, M. Brown, Bruce, Callahan, Casebier, Castleman, L. Clark, P. Clark, Cline, Crupper, Cyrus, Donnermeyer, Ford, Freibert, Gedling, Geveden, Guenther, Hancock, Handy, Hatcher, Hourigan, Jackson, A. Jones, R. Jones, Keith, Kerr, Lefevvers, LeMaster, Lile, Little, Long, Lyne, Mack, Maggard, Mason, McElroy, Meyer, Moberly, Morris, Napier, Noland, Northup, Overstreet, Priddy, Pritchett, Rapier, Reinhardt, Richards, B. Richardson, P. Richardson, Ridley, Riner, Robinson, Scorsone, Seum, Siler, B. Smith, R. Smith, Strong, Todd, Turner, Walker, White, Will, Worthington.

Representative Morris moved that the rules be suspended to introduce and act upon a Resolution. Agreed.

HR 179, by Representatives Morris, Bruce, Barrows and Ballard: A RESOLUTION directing the Co-

Chairmen of the Interim Joint Committee on State Government to appoint a Subcommittee on Veteran's Affairs to operate during the 1988-1989 Interim.

Representative Morris moved the adoption of the following **HR 179**:

HR 179. A RESOLUTION directing the Co-Chairmen of the Interim Joint Committee on State Government to appoint a Subcommittee on Veteran's Affairs to operate during the 1988-89 Interim.

WHEREAS, Kentucky's veterans have many concerns meriting legislative attention; and

WHEREAS, the present committee structure of the Kentucky General Assembly does not allow proper attention to be paid to these concerns; and

WHEREAS, Kentucky owes its veterans a debt of gratitude for their contributions in defense of our country;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Co-Chairmen of the Interim Joint Committee on State Government be directed to appoint a Subcommittee on Veteran's Affairs to operate during the 1988-89 interim and present its findings to the 1990 Kentucky General Assembly.

HR 179 was adopted by voice vote.

Representative Stumbo moved that the rules be suspended for Introduction of Resolutions, Report of Committees and Posting of Bills and Resolutions for Consideration. Agreed.

Representative Stumbo moved that when the House adjourns today it do so by voice vote. Agreed.

Introductions of Resolutions

HR 176, by Representative Stumbo: A RESOLUTION honoring hall-of-famer Geri Grigsby.

HR 180, by Representatives Stumbo and Strong: A RESOLUTION adjourning in honor of C. Vernon Cooper, Jr.

HR 181, by Representative O'Brien: A RESOLUTION directing the Interim Joint Committee on Health and Welfare to study the certificate of need process for health facilities and health services.

HR 182, by Representative Ballard: A RESOLUTION urging the Secretary of the Transportation Cabinet to place a larger sign at the Lawrenceburg/Frankfort exit on the Bluegrass Parkway describing that exit as Frankfort, Kentucky State Capitol.

Report of Committees

The Committee on Rules reported **HB 494, HB 605, HB 716, HB 916, HB 966, HB 984, HB 1018, SB 142, SB 148, SB 150, HB 396, HB 792, HB 183, HB 280, HB 282, HB 699, HB 700, HB 756, HB 838, HB 864, HB 1011, HB 1013, SB 55, SB 145, SB 158, SB 237, HB 559, HB 861, HB 920, HB 923, SB 179, SB 208, SB 209, SB 211, SB 216, SB 258, SB 264, SJR 44 and SCR 68** have been posted for passage in Orders of the Day, March 22, 1988.

The Committee on Rules reported the following Consent Bills have been posted for passage in Regular Orders of the Day, March 22, 1988: **HB 358, HB 753, HB 853, HB 897, HB 898, SB 224, SB 301, SCR 83.**

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills have been posted for Committee consideration:

Counties and Special Districts: **SB 37.**

Appropriations and Revenue: **SB 180, SB 280, HB 356.**

State Government: **SB 198.**

Natural Resources and Environment: **SB 293, SB 377, HB 817.**

Judiciary-Criminal: **SB 185.**

Judiciary-Civil: **SB 143.**

Banking and Insurance: **SB 314.**

Business Organizations and Professions: **SB 306, SB 316, SB 324, SB 328, SB 333.**

Report of Committees

The Committee on Business Organizations and Professions reported **SB 244** with Committee Amendment attached thereto, and **HB 802** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 244, AN ACT relating to alcoholic beverage control.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 244.090 is amended to read as follows:

(1) No person holding any license under KRS 243.020 to 243.670 shall knowingly employ in connection with his business, in any capacity whatsoever, any person who:

(a) Has been *twice* convicted of any felony, misdemeanor or offense *or one (1) such felony and one (1) such misdemeanor* directly or indirectly attributable to the use of intoxicating liquors, within the last two (2) years.

(b) Is under the age of twenty (20) years, except in a bottling house or room of a licensed distiller, vintner or brewer or rectifier and except in an office of a wholesaler or manufacturer maintained in a building separate from the warehouses or factory or as provided in KRS 244.087.

(c) Is not a citizen of the United States.

(d) Within two (2) years prior to the date of his employment, has had any license issued under KRS 243.020 to 243.670 or under any other act or ordinance relating to the regulation of the manufacture, sale or transportation of alcoholic beverages revoked for cause.

(2) Violation of this section shall subject both employer and employe to penalties provided in this chapter, and shall be cause for revocation of license.

The Committee Amendment No. 1 to **SB 244** is as follows:

Amend printed copy of **SB 244** on page 2, after line 3, by inserting the following:

Section 2. A NEW SECTION OF KRS CHAPTER 244 IS CREATED TO READ AS FOLLOWS:

(1) *It shall be unlawful for a wholesaler, in a sale or contract to sell distilled spirits or wine, to discriminate among retail licensees by granting a price discount, allowance, rebate, gift, or service which is not available to all retail licensees under the same terms and conditions at the same time.*

(2) *A wholesaler, his agents or employees, shall sell or contract to sell distilled spirits or wine only by a written invoice made concurrently with the sale or delivery, showing price, name, license number and designated premises of the licensed retailer. Sales and deliveries shall only be made to the designated premises of the retail license shown on the written invoice and each retail license shall constitute a separate purchasing entity for the premises designated on the license."*

HB 802. AN ACT relating to consumer protection.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

As used in Section 2 of this Act, unless the context requires otherwise:

(1) (a) *Except as provided in subsection (b) below, "unlicensed health care practitioner" means any person who, for compensation or with expectation of compensation, offers or undertakes to provide advice, counseling, diagnosis, treatment, therapy, correction, or rehabilitation relating to any of the following:*

- 1. Physical or mental health in general;*
- 2. Particular ailments, diseases, injuries, infirmities, disorders or disabilities, or their prevention;*
- 3. Nutrition, diet, weight control, fitness, or smoking;*
- 4. Aging, baldness, or sexual performance.*

(b) *A person licensed or certified by an agency or board of this state in an occupation or profession shall not be considered an unlicensed health care practitioner with regard to that occupation or profession.*

(2) *"Academic title" means a title or other designation indicating receipt of an academic degree, including, but not limited to, the use of "Dr." before a person's name. Any use of initials, such as "Ph.D", after a person's name shall also be considered an academic title.*

(3) *An academic degree shall be considered "accredited" if, at the time of issuance, the institution, program, or specific course of study upon which the degree is based was accredited by a regional or professional accrediting agency recognized by the United States department of education or the council on postsecondary accreditation.*

SECTION 2. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

No unlicensed health care practitioner shall utilize an academic title, or represent in any other manner that he or she possesses an academic degree, unless the practitioner actually possesses the degree, and the degree is accredited. If the degree is honorary, that fact shall be disclosed in every instance by use of the designation "Honorary" or "Hon."

SECTION 3. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

(1) *Violation of Section 2 of this Act shall be a Class A misdemeanor.*

(2) *In addition to subsection (1) of Section 3 of this Act, all of the remedies, powers, and duties provided for the attorney general by KRS 367.190 through 367.300 and 367.990 pertaining to acts declared unlawful by KRS 367.170 shall apply with equal force and effect to acts declared unlawful by Section 2 of this Act.*

Representative Stumbo moved that the rules be suspended to act upon Resolutions. Agreed.

Representative Stumbo moved the adoption of the following **HR 176**:

HR 176, A RESOLUTION honoring hall-of-famer Geri Grigsby.

WHEREAS, an amazing high school basketball career, in which she averaged 49.8 points per game her senior year and amassed 4,385 points overall, earned Geri Grigsby the title of Courier-Journal Sportswoman of the Year, a slot on Parade magazine's All-America team, and recognition in Ripley's Believe It or Not; and

WHEREAS, Geri Grigsby was named 1977's Miss Kentucky Basketball; and

WHEREAS, she went on to star as a Lady Kat for the University of Kentucky, while maintaining a high "B" average; and

WHEREAS, Geri Grigsby was recently one of the first inductees into the Kentucky High School Athletic Association Hall of Fame; and

WHEREAS, Geri Grigsby, on March 20, 1988, won the Kentucky Women's Racquetball Championship; and

WHEREAS, Geri Grigsby currently serves as a staff attorney for the Legislative Research Commission; and

WHEREAS, even if she had not won the state title in women's racquetball this past weekend, Geri Grigsby would still be a star in the minds of her fellow Kentuckians;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House pay tribute to Geri Grigsby and congratulate her upon her induction into the KHSAA Hall of Fame.

Section 2. That a copy of this resolution be sent to Geri Grigsby, Room 410, Capitol.

HR 176 was adopted by voice vote.

Representative Stumbo moved the adoption of the following **HR 180**:

HR 180, A RESOLUTION adjourning in honor of C. Vernon Cooper, Jr.

WHEREAS, C. Vernon Cooper, Jr., a native son of Hazard, has labored successfully in his beloved community for more than a half-century in the professions of banking and insurance; and

WHEREAS, C. Vernon Cooper, Jr. is a friend to Kentucky's libraries, librarians, and trustees; and

WHEREAS, C. Vernon Cooper, Jr. has served faithfully and with distinction for fourteen years as the first and only chair of the Kentucky Governor's Advisory Council on Libraries; and

WHEREAS, C. Vernon Cooper, Jr. is nationally recognized by the American Library Association as one of America's Outstanding Library Trustees, being the only Kentuckian ever to be so honored; and

WHEREAS, C. Vernon Cooper, Jr. was the earliest advocate for the construction of the new centralized Kentucky Department of Libraries and Archives, and acted as its prime mover; and

WHEREAS, C. Vernon Cooper, Jr. served with distinction as vice chairman of the Kentucky Board of Health and the Kentucky Council for the Bureau of Health Services; and

WHEREAS, C. Vernon Cooper, Jr. has devoted his life to the economic, educational and social development of the People of Appalachia, especially in his organizational leadership of the Council of Kentucky Area Development Districts of which he was the organizing president; and

WHEREAS, as a mountain man, equally at home in the hills of Kentucky and the mountains of the Republic of Argentina, C. Vernon Cooper, Jr. is a national hero of the Republic of Argentina, decorated by the President, for an act of heroism and bravery;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the members of this august body, meeting in regular session, do hereby commend C. Vernon Cooper, Jr. for a lifetime of contribution in service to the educational, economic, and social development of all the People of the Commonwealth of Kentucky.

Section 2. That the House of Representatives does hereby express its pride and esteem for C. Vernon Cooper, Jr. for his heroism and courage in behalf of a fallen friend in the Republic of Argentina and does declare him to be a bona fide Kentucky hero.

Section 3. That the members of the House do proclaim their heartfelt affection and warmest wishes to C. Vernon Cooper, Jr. in all his future adventures and expeditions.

Section 4. That when the House of Representatives does adjourn this day, Monday, March 28, 1988, it does so in honor and recognition of C. Vernon Cooper, Jr., Hazard, Kentucky.

Section 5. That the Clerk of the House of Representatives is directed to transmit a copy of this resolution to C. Vernon Cooper, Jr.

HR 180 was adopted by voice vote.

Representative Stumbo moved that **SB 294** be reassigned to the Committee on State Government. Agreed.

Representative T. Jones moved that the vote on Floor Amendment No. 1 to **HB 523** be reconsidered. Agreed.

Representative T. Jones moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative T. Jones moved that he be recorded as voting "yea" on **HB 249**. Agreed.

Representative Barrows moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Barrows moved that his vote be changed from "nay" to "yea" on **HB 37**. Agreed.

Representative Riner moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Riner moved that his vote be changed from "yea" to "nay" on **SB 273**. Agreed.

Representative Casebier moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Casebier moved that he be recorded as voting "yea" on **HB 566**. Agreed.

Representative Lear moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Lear moved that his vote be changed from "nay" to "yea" on **HB 324**. Agreed.

Representative Todd moved the rules be suspended for the purpose of recording votes. Agreed.

Representative Todd moved that he be recorded as voting "yea" on **HB 510** and **HB 636**. Agreed.

Representative Todd moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Todd moved that he be recorded as voting "nay" on **HB 754**. Agreed.

Representative Walker moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Walker moved that he be recorded as voting "yea" on **HB 872**. Agreed.

Representative Strong moved the rules be suspended for the purpose of recording votes. Agreed.

Representative Strong moved that he be recorded as voting "yea" on **HB 490** and **HB 791**. Agreed.

Representative Strong moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Strong moved that his vote be changed from "nay" to "yea" on **HB 618** and **HB 587**. Agreed.

Representative Morris moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Morris moved that he be recorded as voting "yea" on **HB 249**. Agreed.

Representative Bruce moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Bruce moved that his vote be changed from "yea" to "nay" on **SB 273**. Agreed.

Representative Geveden moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Geveden moved that his vote be changed from "nay" to "yea" on **HB 458**. Agreed.

Representative Lear moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Lear moved that he be recorded as voting "yea" on **HB 1007**. Agreed.

Representative Freibert moved the rules be suspended for the purpose of recording votes. Agreed.

Representative Freibert moved that she be recorded as voting "nay" on **HB 660** and **HB 707**. Agreed.

Representative Freibert moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Freibert moved that her vote be changed from "nay" to "yea" on **HB 764** and **HB 955**. Agreed.

Representative Reinhardt moved the rules be suspended for the purpose of recording votes. Agreed.

Representative Reinhardt moved that he be recorded as voting "yea" on **HB 886** and **HB 791**. Agreed.

Representative Cline moved that the Rules be suspended for the purpose of making a motion concerning co-sponsors. Agreed.

Representative Cline moved that all properly filed co-sponsor requests be approved. Agreed.

The following members filed requests to have their names added as co-sponsors of Bills and Resolutions:

HB 204, Representatives Cyrus, Gedling, A. Jones; **HB 228**, Representative Northup; **HB 249**, Representatives Ford, Ridley; **HB 584**, Representative Casebier; **HB 630**, Representative Hatcher; **HB 723**, Representative Ackerson; **HB 785**, Representative Siler; **HB 883**, Representative Ackerson; **HB 1022**, Representative Hatcher; **HCR 109**, Representative Scorsone.

The following member filed a request to have his name withdrawn as co-sponsor of the following Bill: **HB 785**, by Representative Ford.

Announcements

The Clerk announced the filing of the following Floor Amendments to Bills and Resolutions:

Floor Amendment No. 2 to **HB 695**, by Representative B. Richardson:

Amend printed copy of **HB 695** on page 1, line 19, after subsection (4) and before the word "shall" by deleting "A local government" and inserting in lieu thereof the following: "Any city or a county containing a city of the first class"; and

On page 2, line 24, after the word "other" and before the word "liens" by inserting the word "subsequent"; and

On page 2, line 25, after "taxes," by deleting "and shall not" and inserting in lieu thereof the following: "and may be enforced by judicial proceeding."; and

On page 2, line 26, by deleting line 26 in its entirety; and

On page 3, line 1, by deleting line 1 in its entirety.

Floor Amendment No. 1 to Committee Substitute to **HB 716**, by Representative Blevins:

Amend printed copy of HCS to **HB 716** on page 38, line 17, by placing brackets around and striking through the phrase "that vocational region" and inserting in lieu thereof the following: "the state".

Floor Amendment No. 8 to Committee Substitute to **HB 917**, by Representative Stumbo:

Amend printed copy of HCS to **HB 917** by deleting Committee Substitute for House Bill 917 in its entirety and inserting in lieu thereof the following:

By inserting on page 1 after the title before the enacting clause the following:

"WHEREAS, the Kentucky Supreme Court has ruled that the classification of unmined coal separately from other minerals for property taxation purposes is unconstitutional; and

WHEREAS, the decision of the Supreme Court in Gillis v. Yount et al was not handed down until March 3, 1988; and

WHEREAS, the General Assembly desires to implement the mandate of the Supreme Court in a timely and orderly manner, taking into consideration the enormous task involved in separately assessing each parcel containing "mineral resources;"

And on page 1, line 1, by inserting the following:

"SECTION 1. A NEW SECTION OF KRS CHAPTER 132 IS CREATED TO READ AS FOLLOWS:

(1) A Mineral Resources Commission is hereby created for the purpose of setting up procedures and systems for assessing the value of mineral resources. Commission members shall be appointed by the Legislative Research Commission and will consist of the following:

The Secretary of the Revenue Cabinet or his designee;

The director of the Kentucky Geological Survey;

2 representatives of the coal industry;

2 representatives of the oil and gas industry;

2 representatives from other mineral resource industries

including, but not limited to limestone;

2 members of the House of Representatives;

2 members of the Senate;

3 citizen representatives; and

2 representatives from the agriculture industry.

(2) The Commission, whose chairman will be appointed by the Legislative Research Commission, and shall make final recommendations to the General Assembly specifically relating to the classification, valuation and tax rates for mineral resources by October 1, 1989, at which time the Commission shall expire. Staff for the Commission shall be furnished by the Legislative Research Commission.

SECTION 2. A NEW SECTION OF KRS CHAPTER 132 IS CREATED TO READ AS FOLLOWS:

(1) The Revenue Cabinet shall have the sole authority to determine the fair cash value of all mineral resources to ensure that a comprehensive, uniform, fair and equitable system is implemented.

(2) When the assessment procedures and the tax rates are established by action of the General Assembly, such assessment procedures and rates shall apply to the tax year commencing January 1, 1989, and each tax year thereafter.

(3) The term "mineral resources", as used in this Act shall mean all forms of minerals which have not yet been mined or removed from the earth for which there exists a method of extraction in common usage in the particular industry and a commercial use for which the mined or removed mineral could be devoted under available technologies.

(4) The General Assembly does hereby declare that an emergency exists and that the provisions of this Act shall become effective immediately upon passage."

Floor Amendment No. 1 to **HB 920**, by Representative Geveden:

Amend printed copy of **HB 920** on page 5, after line 14, by inserting:

"(14) The financing of solid waste services, which may include the operation, maintenance, equipment replacement and debt amortization of a solid waste management facility, may be provided by the imposition of a service charge upon the owner or owners of benefited properties for the benefits conferred. Solid waste management services may be provided directly by the county or through others under a contract or franchise. The service charges and collection procedures shall be established by ordinance and shall be reasonable. The same schedule of charges shall apply to all users of the same class."

Floor Amendment No. 1 to Committee Substitute to **HB 963**, by Representative Freibert:

Amend printed copy of HCS to **HB 963** on page 40, after line 24, insert the following:

SECTION 22. A NEW SECTION OF KRS CHAPTER 154 IS CREATED TO READ AS FOLLOWS:

(1) The Kentucky development finance authority shall submit to the legislative research commission for referral to the proper legislative committee a biennial report on the progress of businesses that have received financial assistance from the authority in the current year and in the previous five (5) years. The report shall include the following information about each of these businesses:

- (a) The amount of the loan provided by the authority;*
- (b) The closing date of the loan provided by the authority;*

(c) The growth or decline in the number of persons employed by the business receiving assistance. This includes only those persons employed at the funded project site or whose employment is a result of the funded project. Information provided by the secretary of the human resources cabinet pursuant to KRS 341.220(6) shall be used in the calculation of these employment changes for all businesses which have signed a six (6) year release of that information. The authority shall contact directly those businesses not signing a release of information pursuant to KRS 341.190(4) to determine the changes in the number of persons employed.

(2) The biennial report shall also include the rationale used for funding projects during the biennium being reported which:

(a) Cumulatively receive more than one million dollars (\$1,000,000) of Kentucky development finance authority assistance, or combined Kentucky development finance authority and economic development bond program assistance;

(b) Receive more than five thousand dollars (\$5,000) per full-time job estimated to be created or retained two (2) years following completion of the project.

The estimation of jobs shall reflect a realistic projection of the project's effects based upon the authority's own analysis of the proposed project's effects.

(3) For those businesses receiving assistance on or after July 15, 1988, and receiving a Kentucky development finance authority loan in excess of two hundred and fifty thousand dollars (\$250,000), or a combined Kentucky development finance authority loan and economic development bond program loan in excess of two hundred and fifty thousand dollars (\$250,000), the biennial report shall also include:

- (a) An estimate of the effect of the assisted business on other businesses within the state;*
- (b) An estimate of the increased cost of public services resulting from each funded project including, but not limited to, roads, sewer, water, utilities, pollution control and education; and*
- (c) An estimate of state and local taxes paid by each business.*

Section 23. KRS 154.070 is amended to read as follows:

(1) Any borrower may apply to the authority for assistance in an eligible project. Applications shall be made in a manner prescribed by regulations of the authority.

(2) The authority shall hold such hearings and examinations as to each application as shall be necessary to determine whether the public purposes of this chapter and the development of the particular community will be accomplished by granting financial assistance to such applicants.

(3) The authority may enter into such contract or agreement as may be necessary, with the borrower or with the insurance corporation, to lend or to guarantee the lending of the amount to be borrowed.

(4) *Beginning July 15, 1988, all loan documents shall contain a release to be signed by the borrower which waives certain employer confidentiality rights pursuant to KRS 341.190(4) and permits the authority to collect, examine and publish summary employment information filed by the borrower with the cabinet for human resources pursuant to KRS 341.005 to 341.990. This waiver shall apply to a period beginning on a date two (2) years prior to the closing of the authority's loan and ending six (6) years following the date of that loan's closing and shall apply only to the following information:*

(a) *The total number of persons employed by an employer or employed in the appropriate subunit of an employer's operation; and*

(b) *The summary amount of wages paid to employees in a business or appropriate subunit.*

This waiver shall not be interpreted to permit the release of any information pertaining to an individual employee or which identifies individual employees.

(5) *After July 15, 1988, no loan may be issued to any business whose legal representative does not sign the release described in subsection (4) of this section.*

(6) *The authority and its staff shall maintain a written record of all loan inquiries, written or oral, made by potential borrowers or on behalf of potential borrowers. This record shall include the name and address of the potential borrower, a summary of the inquiry made by the potential borrower, the representative of the authority, and disposition of the inquiry.*

Section 24. KRS 341.190 is amended to read as follows:

(1) Each employing unit shall keep true and accurate work records of all workers employed by it, of the wages paid by it to each worker, and such other information as the secretary for human resources considers necessary for the proper administration of this chapter. Such records shall be open for inspection and subject to being copied by the secretary or his authorized representatives at any reasonable time and as often as necessary.

(2) The secretary for human resources may require any employing unit to furnish to the department at its central office from time to time information concerning the total amounts of wages paid, total number of persons employed, an individual record of each worker employed, an individual record of each worker whose employment has been terminated or who has been laid off, an individual wage and hour record of each worker employed part time entitled to benefits, and other related matters, including hours worked, which the secretary for human resources considers necessary to the effective administration of this chapter.

(3) All letters, reports, communications, and other matters, written or oral, from employer or worker, to the secretary for human resources or any of his agents, representatives, or employees, or to the commission, or to any board or official functioning under this chapter, which have been written, sent, or made in connection with the requirements and administration of this chapter, shall be absolutely privileged and shall not be the subject matter or basis for any suit for slander or libel in any court, but no employer or employee, or his representative, testifying before the commission, the secretary for human resources or any duly authorized representative thereof, shall be exempt from punishment for perjury. Information thus obtained shall not be published or be open for public inspection except to public employees in the performance of their duties, in any manner revealing or indicating the employing unit's identity, but any claimant at a hearing before the commission, the secretary for human resources or his duly authorized representative, shall be supplied with information from such records to the extent necessary for the proper presentation of his claim.

(4) *In regard to certain information, employers may waive the right to confidentiality granted in subsection (3) of this section in order to qualify for programs of financial assistance offered by the state. This waiver shall apply only to the following information:*

(a) *The total number of persons employed by an employer or employed in the appropriate subunit of an employer's operation; and*

(b) *The summary amount of wages paid to employees in a business or appropriate subunit.*

This waiver shall not be interpreted to permit the release of any information pertaining to an individual employee

or which identifies individual employees.

Section 25. KRS 341.220 is amended to read as follows:

(1) In the administration of this chapter, the secretary shall:

(a) To the fullest extent consistent with the provisions of this chapter, cooperate with the federal department of labor;

(b) Make such reports in such form and containing such information as such agency may from time to time require;

(c) Comply with such provisions as such agency may from time to time find necessary to assure the correctness and verification of such reports; and

(d) Comply with the provisions of title III of the social security act relating to the expenditure of such funds as may be allotted and paid to this state for the purpose of assisting in the administration of this chapter.

(2) Upon request therefor the secretary shall furnish to any agency of this or any other state or the United States charged with the administration of public works or assistance, through public employment or otherwise, the name, address, ordinary occupation and employment status of each recipient of benefits and such recipient's rights to further benefits under this chapter.

(3) The secretary may make records relating to the administration of this chapter available to the railroad retirement board and may furnish the railroad retirement board, at the expense of that board, as many copies thereof as the board requests.

(4) The secretary may afford reasonable cooperation, including reciprocal collection of contributions by the enforcement of foreign judgments, with every agency of any state or of the United States charged with the responsibility of administering an unemployment insurance law.

(5) The secretary shall require employment offices in this state, upon request of a public agency administering or supervising the administration of a state plan approved under part A of title IV of the social security act or of a public agency charged with any duty or responsibility under any program or activity authorized or required under part D of title IV of such act, shall, and, notwithstanding any other provision of law, is hereby authorized to furnish to such agency making the request, from any data contained in the files of any such employment office, information with respect to any individual specified in the request as to (a) whether such individual is receiving, has received, or has made application for unemployment compensation, and the amount of any such compensation being received by such individual; (b) the current (or most recent) home address of such individual; and (c) whether such individual has refused an offer of employment, and, if so, a description of the employment so offered and terms, conditions, and rate of pay therefor, provided that the secretary shall require employment offices in this state to furnish such other information as shall be required by the regulations of the secretary of health, education and welfare.

(6) The secretary, upon request of a public agency and presentation of an employer's waiver of confidentiality as described in KRS 341.190(4), shall, on a timely basis and in a form useful to the requesting agency, provide the information requested and other non-employee specific information which will assist the requesting agency in fulfilling its statutory mandates.

Floor Amendment No. 2 to Committee Substitute to **HB 963**, by Representative Blevins:

Amend printed copy of HCS to **HB 963** on page 39, by deleting lines 7 through 14; and

On page 39, line 15, by renumbering "SECTION 21" as "SECTION 20".

Floor Amendment No. 3 to Committee Substitute to **HB 963**, by Representative Blevins:

Amend printed copy of HCS to **HB 963** on page 5, line 6, after the word "means" add: "only that

reconditioning of land affected by surface mining, which will directly promote and benefit"; and

On page 5, line 8, after "section" by deleting the rest of the line and by deleting all of line 9 up to the semicolon; and

On page 5, line 15, after the word "fund" insert: "for a reclamation development project"; and

On page 36, line 18, after "means" insert "only that reconditioning of land affected by surface mining, which will directly promote and benefit"; and

On page 36, line 20, after "154.010(6)" by deleting the rest of the line and by deleting line 21 up to the period; and

On page 36, line 26, after the word "fund" insert: "for a reclamation development project".

Floor Amendment No. 4 to Committee Substitute to **HB 963**, by Representative Barrows:

Amend printed copy of HCS to **HB 963** on page 4, line 3, after the word "commercial," and before the word "health" insert the following: "retail sales, manufacturing of housing."; and

On page 4, line 6, after the first word "equipment," and before the second word "equipment" insert the following: "retail sales facilities; the manufacturing of housing."; and

On page 4, line 25, delete the words "devoted to"; and

On page 4, delete line 26.

Floor Amendment No. 1 to **HB 980**, by Representative Noe:

Amend printed copy of **HB 980** on page 19, line 21, by inserting "two percent (2%)" after the word "pay" and striking through and placing brackets around "five percent (5%)".

Floor Amendment No. 1 to **HB 984**, by Representative LeMaster:

Amend printed copy of **HB 984** on page 1, line 1, after "Section 1." insert the following:

"KRS 278.020 is amended to read as follows:

(1) No person, partnership, public or private corporation or combination thereof shall begin the construction of any plant, equipment, property or facility for furnishing to the public any of the services enumerated in KRS 278.010, except retail electric suppliers for service connections to electric-consuming facilities located within its certified territory and ordinary extensions of existing systems in the usual course of business, until such person has obtained from the public service commission a certificate that public convenience and necessity require such construction. Upon the filing of an application for such a certificate, and after any public hearing which the commission may in its discretion conduct for all interested parties, the commission may issue or refuse to issue the certificate, or issue it in part and refuse it in part. Unless exercised within one (1) year from the grant thereof, exclusive of any delay due to the order of any court or failure to obtain any necessary grant or consent, the authority conferred by the issuance of the certificate of convenience and necessity shall be void, but the beginning of any new construction or facility in good faith within the time prescribed by the commission and the prosecution thereof with reasonable diligence shall constitute an exercise of authority under the certificate.

(2) No utility shall exercise any right or privilege under any franchise or permit, after the exercise of that right or privilege has been voluntarily suspended or discontinued for more than one (1) year, without first obtaining from the commission, in the manner provided in subsection (1) of this section, a certificate of convenience and necessity authorizing the exercise of that right or privilege.

(3) No utility shall apply for or obtain any franchise, license or permit from any city or other governmental

agency until it has obtained from the commission, in the manner provided in subsection (1) of this section, a certificate of convenience and necessity showing that there is a demand and need for the service sought to be rendered.

(4) No person under the jurisdiction of the commission shall acquire or transfer ownership of or control, or the right to control, any utility, by sale of assets, transfer of stock or otherwise, or abandon the same, without prior approval by the commission. The commission shall grant its approval if the person acquiring the utility has the financial, technical, and managerial abilities to provide reasonable service.

(5) No individual, group, syndicate, general or limited partnership, association, corporation, joint stock company, trust or other entity (an "acquiror"), whether or not organized under the laws of this state, shall acquire control, either directly or indirectly, of any *utility* [~~retail electric supplier~~] furnishing *utility* [~~retail electric~~] service in this state, without having first obtained the approval of the commission. Any such acquisition of control without such prior authorization shall be void and of no effect. As used in this subsection, the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a *utility* [~~retail electric supplier~~], whether through the ownership of voting securities, by effecting a change in the composition of the board of directors, by contract or otherwise. Control shall be presumed to exist if any such individual or entity, directly or indirectly, owns ten percent (10%) or more of the voting securities of the *utility* [~~retail electric supplier~~]. This presumption may be rebutted by a showing that such ownership does not in fact confer control. Application for any such approval or authorization shall be made to the commission in writing, verified by oath or affirmation, and be in such form and contain such information as the commission requires. The commission shall approve any such proposed acquisition when it finds that the same is to be made in accordance with law, for a proper purpose and is consistent with the public interest. The commission may make such investigation and hold such hearings in the matter as it deems necessary, and thereafter may grant any application under this subsection in whole or in part and with such modification and upon such terms and conditions as it deems necessary or appropriate. The commission shall grant, modify, refuse or prescribe appropriate terms and conditions with respect to every such application within sixty (60) days after the filing of the application therefor or on a later date mutually acceptable to the commission and the acquiror. In the absence of any such action within such period of time, any such proposed acquisition shall be deemed to be approved.

(6) Subsection (5) of this section shall not apply to any acquisition of control of any:

(a) *Utility* [~~Retail electric supplier~~] which derives a greater percentage of its gross revenue from business in another jurisdiction than from business in this state if the commission determines that the other jurisdiction has statutes or rules which are applicable and are being applied and which afford protection to ratepayers in this state substantially equal to that afforded such ratepayers by subsection (5) of this section;

(b) *Utility* [~~Retail electric supplier~~] by an acquiror who directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such *utility* [~~retail electric supplier~~], including any entity created at the direction of such *utility* [~~retail electric supplier~~] for purposes of corporate reorganization; or

(c) *Utility* [~~Retail electric supplier~~] pursuant to the terms of any indebtedness of the *utility* [~~retail electric supplier~~], provided the issuance of such indebtedness was approved by the commission.

(7) If any provision of this section or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this section which can be given effect without the invalid provision or application, and to that end the provisions are declared to be severable.

Section 2."

Floor Title Amendment to **HB 984**, by Representative LeMaster:

Amend printed copy of **HB 984** on page 1, by amending the title to read as follows: "AN ACT relating to business enterprises."

Floor Amendment No. 2 to Committee Substitute to **HB 1013**, by Representative Worthington:

Amend printed copy of HCS to **HB 1013** on page 6, line 9, delete "three thousand dollars (\$3,000)" and

insert in lieu thereof "*six thousand dollars (\$6,000)*".

Floor Amendment No. 1 to **SCR 69**, by Representative Barrows:

Amend printed copy of **SCR 69** on page 3, line 19, by changing "four" to "seven"; and

On page 3, line 24, by adding the following: "The Legislative Research Commission shall designate one member of the interim joint committee on education, one member of the interim joint committee on state government and one member of the interim joint committee on banking and insurance to serve on the study commission."

Floor Amendment No. 1 to **SB 211**, by Representative LeMaster:

Amend printed copy of GA copy of **SB 211** on page 3, after line 17, by adding the following:

"Section 3. 1984 Acts, Chapter 211, Section 7, relating to the expiration of the bluegrass skills corporation, is hereby repealed."

Floor Title Amendment to **SB 249**, by Representative Gedling:

Amend printed copy of **SB 249** on page 1, by amending the title to read "AN ACT relating to county officials."

Floor Amendment No. 1 to **SB 270**, by Representative Lear:

Amend printed copy of **SB 270** on page 9, lines 23 through 26, by deleting said lines in their entirety and inserting in lieu thereof:

"(21) [~~Except as authorized by law,~~] A board member or an employe of the board shall neither initiate, participate in, nor consider ex parte communications"; and

On page 10, line 1, by deleting "*communications*"; and

On page 10, line 2, after "the board" by inserting the following:

" , except as specifically authorized by administrative regulation of the board in the conduct of a pre-hearing mediation and settlement procedure formally established by the board under KRS Chapter 13A".

The Clerk announced the following meetings:

The Committee on Labor and Industry, March 22, 1988, Room 104, 9:00 a.m.

The Committee on State Government, March 22, 1988, 1:00 p.m.

Adjournment

Representative Stumbo moved that the House adjourn until 2:00 p.m., Tuesday, March 22, 1988.

The motion that the House adjourn until 2:00 p.m., Tuesday, March 22, 1988 was adopted by voice vote.

TUESDAY, MARCH 22, 1988

FIFTIETH LEGISLATIVE DAY

The House was called to order by Speaker Blandford.

Prayer by Brother Jim Watt, Bethlehem Baptist Church, Bremen, Kentucky.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All members present except Representative Yates.

Representative McElroy moved that the absent member be granted leave of absence in accordance with the rules of the House. Agreed.

Representative McElroy moved that the reading of the Journal of March 21, 1988 be dispensed with and the same approved. Agreed.

Senate Message

Announcing the passage of **SB 171, SB 182, SB 393, HB 19** with Senate Amendment, **HB 633** with Senate Amendment, **HB 654** with Senate Committee Substitute, **HB 7, HB 18, HB 48, HB 488, HB 492, HB 497, HB 551, HB 552, HB 592, HB 653, HB 728, HB 870, HB 932** and **HCR 62**.

Message received in regard to **HB 25**: The Senate has adopted the Free Conference Committee Report on **HB 25** and is notifying this Honorable Body that it has repassed the bill as amended in Free Conference.

Report on Enrolled Bills

The Committee on Enrollment reported **HB 17, HB 26, HB 196, HB 230, HB 240, HB 346, HB 348, HB 442, HB 482, HB 547, HB 663** and **HJR 3** had been examined and found correctly enrolled. Said Bills and Resolution read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate. (Time - 2:04 p.m.)

HB 17, HB 26, HB 196, HB 230, HB 240, HB 346, HB 348, HB 442, HB 482, HB 547, HB 663 and **HJR 3** delivered to the Senate, signed by the President. Ordered delivered to the Governor.

Reference of Bills and Resolutions

The Clerk reported the Committee on Committees has referred the following Bills and Resolution:

Agriculture and Small Business: **SCR 87**.

Business Organizations and Professions: **SB 342**.

Education: **SB 379**.

Health and Welfare: **SB 320**.

Judiciary-Civil: **SB 383**.

Natural Resources and Environment: **SB 168, SB 355, SB 343, SB 338**.

State Government: **SB 212**.

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills and Resolutions have been posted for Committee consideration:

State Government: **SB 294**.

Energy: **HR 163**.

Transportation: **SB 309, SB 275**.

Report of Committees

The Committee on Judiciary-Civil reported **HB 798, SB 288** and **SB 304** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 798. AN ACT relating to fees.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 64.090 is amended to read as follows:

Sheriffs may charge and collect for the following services the following fees:

Executing and returning process	\$15.00 [~~\$10.00~~]
Serving an order of court and return	3.00
Summoning each witness	2.00
Summoning an appraiser or reviewer	2.00
Attending a surveyor, when ordered by a court, per deputy or sheriff assigned	20.00
Taking any bond that he is authorized or required to take in any action	5.00

Collecting money under execution or distress warrant, if the debt is paid or the property sold, or a delivery bond given and not complied with, six per cent (6%) on the first three hundred dollars (\$300) and three per cent (3%) on the residue; when he levies an execution or distress warrant, and the defendant replevies the debt, or the writ is stayed by legal proceedings or by the order of the plaintiff, half of the above commissions, to be charged to the plaintiff and collected as costs in the case.

Taking a recognizance of a witness	3.00
Levying an attachment	5.00

When property attached is sold by an officer other than the officer levying the attachment, the court shall, in the judgment, make the officer an additional and reasonable allowance for levying the attachment, and the fee of the officer selling the property shall be lessened by that sum. Reasonable charges for removing and taking care of attached property shall be allowed by order of court.

Summoning a garnishee	3.00
Summoning a jury in a misdemeanor case, attending the trial, and conducting the defendant to jail, to be paid by the party convicted	8.00
Serving process or arresting the party in misdemeanor cases, to be paid by the plaintiff	10.00

Serving an order or process of revivor 3.00

Executing a writ of possession against each tenant or defendant 7.00

Executing a capias ad satisfaciendum, the same commission as collecting money on execution. If the debt is not paid, but stayed or secured, half commission.

Summoning and attending a jury in a case of forcible entry and detainer, besides fees for summoning witnesses 8.00

Collecting militia fines and fee-bills, ten per cent (10%), to be deducted out of the fee-bill or fine.

Levying for a fee-bill 3.00

Serving a notice 2.00

Serving summons, warrants or process of arrest in cases of children born out of wedlock 6.00

Serving each order appointing surveyors of roads, to be paid out of the county levy 5.00

Serving each summons or order of court in applications concerning roads, to be paid out of the county levy if the road is established, and in all other cases to be paid by the applicant 5.00

Like services in cases of private passways to be paid by the applicant 5.00

Executing each writ of habeas corpus, to be paid by the petitioner 3.00

All services under a writ issued under KRS 381.460 to 381.570 10.00

For services in summoning grand and petit jurors and performing his duties under KRS Chapter 29A the sheriff shall be allowed, for each person so summoned, and paid out of the state treasury for constructive service the sum of \$1.50 and for personal service the sum of \$3.00.

Section 2. KRS 23A.200 is amended to read as follows:

(1) The filing fee for a civil case in circuit court shall be seventy-five dollars (\$75); however, there shall be no filing fee for proceedings for a writ of habeas corpus, proceedings under RCr 11.42, and mental health proceedings under KRS Chapters 202B and 387. The filing fee shall be paid to the clerk at the time the case is filed.

(2) Additional fees shall be charged in circuit court civil cases as follows:

(a) Filing a third-party complaint \$15.00 [~~\$10.00~~]

(b) Preparing a certification 1.00

(c) Providing a copy of a document (per page) 25

(d) Issuing orders of attachment; executions; writ of possession after judgment 10.00

(e) Issuing garnishments 2.00

(3) The additional fees required by subsection (2) of this section shall be paid to the clerk at the time the service is requested.

(4) Jury fees shall be assessed as costs and shall be paid to the clerk at the disposition of the action

by the party against whom the costs have been assessed as follows:

- (a) For a jury of more than six (6) persons \$25.00
- (b) For a jury of six (6) persons 12.50

(5) The following fee shall be paid directly to the sheriff or other officer serving the process by the party requesting the service, at the time of the request as follows:

- Service of process (per process) \$15.00 [~~\$10.00~~]

(6) The cost incurred by the clerk in publishing a notice shall be paid by the party requesting the notice prior to the publication of the notice.

- (7) The costs of an original deposition including appearance fees and mileage shall be assessed as costs.

(8) The court, in its discretion, may provide for the payment of additional costs in cases requiring extraordinary services.

Section 3. KRS 24A.170 is amended to read as follows:

(1) The filing fee for a civil case in district court shall be paid to the clerk at the time the case is filed and shall be thirty dollars (\$30.00), except as provided below:

(a) Where the amount in controversy is five hundred dollars (\$500) or less, the fee shall be fifteen dollars (\$15.00);

(b) Where the case involves the probate of an estate, the fee shall be ten dollars (\$10.00);

(c) Where the case involves the appointment of guardians, conservators, and curators and is not related to a pending probate proceeding, the fee shall be ten dollars (\$10.00) for each appointment;

(d) Where the matter involves a name change for a natural person, the fee shall be ten dollars (\$10.00);

(e) Where the case involves a paternity determination under KRS Chapter 406, the fee shall be ten dollars (\$10.00);

(f) Where the case involves mental health proceedings under KRS Chapter 202A, 202B or 387, there shall be no fee except as provided in paragraph (c) of this subsection; and

(g) Filing forcible detainer actions \$10.00.

(2) Additional fees shall be charged in district court civil cases as follows:

(a) Filing a third-party complaint \$10.00

(b) Preparing a certification \$ 1.00

(c) Providing a copy of a document (per page) \$.15

(d) Issuing orders of attachment; executions; writ of possession after judgment \$10.00

(e) Issuing garnishments \$ 2.00

(3) The additional fees required by subsection (2) of this section shall be paid to the clerk at the time the service is requested.

(4) The jury fee shall be assessed as costs and shall be paid to the clerk by the party against whom the costs have been assessed as follows:

For a jury of six (6) persons\$12.50

(5) The following fee shall be paid directly to the sheriff or other officer serving the process by the party requesting the service, at the time of the request:

Service of process (per process)\$15.00 [~~\$10.00~~]

(6) The cost incurred by the clerk in publishing a notice shall be paid by the party requesting the notice prior to the publication of the notice.

(7) The court, in its discretion, may provide for the payment of additional costs in cases requiring extraordinary services.

(8) The costs of an original deposition including appearance fees and mileage shall be assessed as costs.

SB 288, AN ACT relating to marriage.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 402.020 is amended to read as follows:

Marriage is prohibited and void:

- (1) With a person who has been adjudged mentally disabled by a court of competent jurisdiction;
- (2) Where there is a husband or wife living, from whom the person marrying has not been divorced;
- (3) When not solemnized or contracted in the presence of an authorized person or society;
- (4) When at the time of marriage, the person is under eighteen (18) years of age, if the marriage is without the consent of:
 - (a) *The father or the mother of the person under eighteen (18) if the parents are married, the parents are not legally separated, no legal guardian has been appointed for the person under eighteen (18), and no court order has been issued granting custody of the person under eighteen (18) to a party other than the father or mother;*
 - (b) *Both the father and the mother if both be living and the parents are divorced or legally separated and a court order of joint custody to the parents of the person under eighteen (18) has been issued and is in effect;*
 - (c) *The surviving parent if the parents were divorced or legally separated and a court order of joint custody to the parents of the person under eighteen (18) was issued prior to the death of either the father or mother, which order remains in effect;*
 - (d) *The custodial parent as established by a court order which has not been superseded where the parents are divorced or legally separated and joint custody of the person under eighteen (18) has not been ordered;*
or
 - (e) *Another person having lawful custodial charge of the person under eighteen (18); [the father, mother, guardian, or other person lawfully having charge of his or her person;]*

Provided, however, that in case of pregnancy the male and female, or either of them, under the ages herein specified may apply to a district court judge for permission to marry, which application may be granted, in the discretion of the judge. There shall be a fee of five dollars (\$5) for hearing each such application;

(5) For purposes of this section "parent," "father" or "mother" means the natural parent, father or mother of a child under eighteen (18) unless an adoption takes place pursuant to legal process, in which case the adoptive parent, father or mother shall be considered the parent, father or mother to the exclusion of the natural parent, father or mother as applicable.

Section 2. KRS 402.030 is amended to read as follows:

Courts having general jurisdiction may declare void any marriage obtained by force or fraud or, at the instance of any next friend, may declare any marriage void where the person was under eighteen (18) years of age at the time of the marriage, and the marriage was without the consent *required by KRS 402.020* [of the father, mother, guardian or other person lawfully having charge of his or her person] and has not been ratified by cohabitation after that age.

Section 3. KRS 402.210 is amended to read as follows:

If either of the parties is under eighteen (18) years of age and not before married, no license shall issue without the consent *required by KRS 402.020* [of a parent or guardian], personally given or certified in writing to the clerk over the signature of the *person consenting in accordance with KRS 402.020* [father, guardian or mother], attested by two (2) subscribing witnesses and proved by the oath of one (1) of the witnesses, administered by the clerk. If the parties are personally unknown to the clerk, a license shall not issue until bond, with good surety, in the penalty of one hundred dollars (\$100) is given to the Commonwealth, with condition that there is no lawful cause to obstruct the marriage.

Section 4. KRS 402.260 is amended to read as follows:

If any person under eighteen (18) years of age marries without the consent *required by KRS 402.020* [of the parent or guardian], the court having general jurisdiction in the county of his residence shall, on the petition of a next friend, commit his estate to a receiver, who, upon giving bond, shall hold his estate and, after deducting a reasonable compensation for his services, pay out the rents and profits to his separate use during his infancy, under the direction of the court. When the person arrives at the age of eighteen (18) the receiver shall deliver his estate to him, unless the court considers it for his benefit to continue it in the hands of the receiver.

SB 304. AN ACT relating to corporation taxes.

WHEREAS, the General Assembly has heretofore determined that the corporation license tax should apply equally to corporate enterprises that conduct operations through the subsidiary form of organization rather than through the divisional form; and

WHEREAS, the General Assembly in 1976 adopted KRS 136.071 as a means of equalizing the treatment of such corporations; and

WHEREAS, the General Assembly is aware that some uncertainty exists as to the meaning of KRS 136.071 and wishes to clarify the meaning of the statute.

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 136.071 is amended to read as follows:

(1) Notwithstanding any other provisions of this chapter, a corporation whose commercial domicile is in this state and holds *directly or indirectly* stock or securities in other corporations equal to or greater than 50% of its total assets may, at the option of the taxpayer, be considered as one corporation for purposes of determining and apportioning total "capital", or compute its "capital" under KRS 136.070(2) as follows:

(a) Determine the corporation's total capital as provided in KRS 136.070(2).

(b) Deduct from the amount determined in subsection (a) of this section, the book value of its investment

in the stock and securities of any corporation in which it owns more than 50% of the outstanding stock of such corporation.

(2) For purposes of determining the ratio of stock and securities to total assets, the value shall be the value of the accounts as reflected on financial statements prepared for book purposes as of the last day of the calendar or fiscal year. The term "stock and securities" as used in this section means shares of stock in any corporation, certificates of stock or interest in any corporation, notes, bonds, debentures, and evidences of indebtedness. The term "book value" means the value as shown on financial statements prepared for book purposes as of the last day of the calendar or fiscal year.

Section 2. The provisions of this Act shall be effective for tax years after June 30, 1988.

The Committee on Transportation reported **SB 6, SB 134, SB 141, SB 147, SB 236, SB 242 and SB 277** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 6. AN ACT relating to motor vehicles.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 189.390 is amended to read as follows:

(1) No operator of a vehicle upon a highway shall drive at a greater speed than is reasonable and prudent, having regard for the traffic and for the condition and use of the highway.

(2) Where no condition exists that requires lower speed for compliance with subsection (1) of this section, the speed of any vehicle not in excess of the limits specified in this section or established as hereinafter authorized shall be lawful, but any speed in excess of the limits specified in this section or established as hereinafter authorized shall be unlawful:

(a) For all vehicles other than ~~[motor trucks, semitrailer trucks, or]~~ motor vehicles of five (5) horsepower or less, thirty-five (35) miles per hour in any business or residential district *and fifty-five (55)* ~~[sixty (60)]~~ miles per hour in other locations *except where the speed limit has been posted at sixty-five (65) miles per hour [during the daytime and fifty (50) miles per hour in other locations during the nighttime];*

(b) ~~[For motor trucks and semitrailer trucks, thirty-five (35) miles per hour in any business or residential district, fifty (50) miles per hour in other locations;~~

(e) For motor vehicles of five (5) horsepower or less, thirty-five (35) miles per hour in any location;

~~(c)~~~~(d)~~ All vehicles, when using off-street parking facilities offered for public use whether publicly or privately owned, fifteen (15) miles per hour.

(3) Whenever the secretary of transportation shall determine upon the basis of an engineering and traffic investigation that any speed limit hereinbefore set forth is greater or less than is reasonable or safe under the conditions found to exist at any intersection or upon any part of a state highway within or without the corporate limits of a municipality, said secretary of transportation may determine and establish by official order a reasonable and safe speed limit at such location which shall be effective at all times or during hours of daytime or nighttime, or at such other times as may be determined when appropriate signs giving notice thereof are erected at such intersection or part of the state highway. In no event, however, shall said secretary increase any speed limit established by subsection (2) of this section so as to permit in any instance a speed limit in excess of *fifty-five (55)* ~~[sixty (60)]~~ miles per hour.

(4) (a) Whenever municipal authorities or the fiscal court of any county determine upon the basis of an engineering and traffic investigation that the speed permitted under subsection (2) of this section is greater or less than is reasonable or safe under the conditions found to exist, at any location within the municipality or unincorporated areas of such county, such municipal authority or fiscal court, subject to paragraph (b) of this subsection, shall determine and authorize by ordinance or order a reasonable and safe speed limit at such location which shall be effective at all times or during hours of daytime or nighttime, or at such

times as may be determined when appropriate signs giving notice thereof are appropriately erected at such location. In no event, however, shall said municipal authority or fiscal court increase any speed limit established by subsection (2) of this section so as to permit in any instance a speed limit in excess of *fifty-five (55)* [~~sixty (60)~~] miles per hour.

(b) Alteration of speed limits on state highways within a municipality by municipal authorities or within the unincorporated areas of counties by fiscal courts thereof shall not be effective until such alteration has been approved by the secretary of transportation. In no event shall said secretary approve any alteration which could increase any speed limit established by subsection (2) of this section so as to permit in any instance a speed limit in excess of *fifty-five (55)* [~~sixty (60)~~] miles per hour.

(c) Whenever the fiscal court of any county determines upon the basis of an engineering and traffic investigation and study that it is unsafe to park motor vehicles on or along any highway, other than a state highway, within the unincorporated areas of the county, or that in any business district the congestion of traffic justifies a reasonable limitation on the length of time any one (1) motor vehicle is permitted to park in such district so as to reduce such congestion, then the fiscal court may by order establish "no parking" areas on and along said highway, or limit the length of time any motor vehicle may be parked in any business district, which order or orders shall be effective at all times and during hours of daytime or nighttime and at such other times as may be determined when appropriate signs giving notice thereof are erected at such locations.

(d) Notwithstanding the other limitations in this subsection, the secretary of transportation may establish, by official order, reasonable and safe speed limits on *interstate highways and divided highways with four (4) or more lanes and fully controlled access and located in a non-urbanized area, a speed limit* [~~turnpikes and limited access state highways~~] not to exceed *sixty-five (65)* [~~seventy (70)~~] miles per hour.

(5) No person shall drive a motor vehicle at such a slow speed as to impede or block the normal and reasonable movement of traffic except when reduced speed is necessary for safe operation or in compliance with law.

(6) In every charge for a violation of any speed limit specified in this section or established as herein authorized, the warrant or citation shall specify the speed at which the defendant is alleged to have driven, also the lawful speed limit applicable at the location where the violation is charged to have occurred.

(7) As used in this section, the following words and phrases shall have the meanings respectively ascribed to them:

(a) "Business district," the territory contiguous to and including a highway when within any 600 feet along such highway there are buildings in use for business or industrial purposes which occupy 300 feet of frontage on one side or 300 feet collectively on both sides of the highway;

(b) "Residential district," the territory contiguous to and including a highway not comprising a business district when the property on such highway for a distance of 300 feet or more is in the main improved with residences or residences and buildings in use for business;

(c) "State highway," a highway or street maintained by the department of highways;

(d) "Nighttime," the period from one-half (1/2) hour after sunset until one-half (1/2) hour before sunrise, and at such other periods as atmospheric conditions render visibility as low as or lower than is ordinarily the case during that period; "daytime" means at any other period.

(e) "Non-urbanized area," an area located outside of the federal-aid urban boundary designated for urbanized areas of fifty thousand (50,000) population or more as defined by the bureau of census.

(8) The signs and notices which the fiscal court is authorized hereby to have erected shall be paid for by the fiscal court out of the county levy.

Section 2. KRS 189.394 is amended to read as follows:

(1) The fines for speeding in violation of KRS 189.390 ~~and 189.391~~ shall be:

Mph. Over Limit	Prima Facie or Maximum Speed											Fine
	15	20	25	30	35	40	45	50	55	60	65	
1	16	21	26	31	36	41	46	51	56	61	66	\$ 1
2	17	22	27	32	37	42	47	52	57	62	67	2
3	18	23	28	33	38	43	48	53	58	63	68	3
4	19	24	29	34	39	44	49	54	59	64	69	4
5	20	25	30	35	40	45	50	55	60	65	70	5
6	21	26	31	36	41	46	51	56	61	66	71	16
7	22	27	32	37	42	47	52	57	62	67	72	17
8	23	28	33	38	43	48	53	58	63	68	73	18
9	24	29	34	39	44	49	54	59	64	69	74	19
10	25	30	35	40	45	50	55	60	65	70	75	20
11	26	31	36	41	46	51	56	61	66	71	76	22
12	27	32	37	42	47	52	57	62	67	72	77	24
13	28	33	38	43	48	53	58	63	68	73	78	26
14	29	34	39	44	49	54	59	64	69	74	79	28
15	30	35	40	45	50	55	60	65	70	75	80	30
16	31	36	41	46	51	56	61	66	71	76	81	32
17	32	37	42	47	52	57	62	67	72	77	82	34
18	33	38	43	48	53	58	63	68	73	78	83	36
19	34	39	44	49	54	59	64	69	74	79	84	38
20	35	40	45	50	55	60	65	70	75	80	85	40
21	36	41	46	51	56	61	66	71				43
22	37	42	47	52	57	62	67	72				46
23	38	43	48	53	58	63	68	73				49
24	39	44	49	54	59	64	69	74				52
25	40	45	50	55	60	65	70	75				55

(2) For speeding in excess of the speeds shown on the specific fine schedule the fine shall be not less than sixty dollars (\$60.00) nor more than one hundred dollars (\$100).

(3) For any violation shown on the chart for which a specific fine is prescribed the defendant may elect to pay the fine and court costs to the circuit clerk before the date of his trial or to be tried in the normal manner. Payment of the fine and court costs to the clerk shall be considered as a plea of guilty for all purposes.

(4) If the offense charged shows a speed in excess of the speeds shown on the specific fine schedule the defendant shall appear for trial and may not pay the fine to the clerk before the trial date.

Section 3. KRS 189.392 is amended to read as follows:

KRS 189.390 [189.391] shall not apply to emergency vehicles while being operated under the provisions of KRS 189.910 to 189.950.

Section 4. KRS 186.572 is amended to read as follows:

Conviction for any one (1) of the following moving hazardous violations on a limited access highway or a limited access highway of four (4) or more lanes in Kentucky on which the speed limit is *sixty-five (65)* [55] mph or higher shall be cause for assessment of the penalty points indicated:

Speeding 10 [15] mph or less over the limit/.0 points

Section 5. KRS 189.391, Reduction of speed limits, is repealed.

SB 134. AN ACT relating to motor vehicles.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 190 IS CREATED TO READ AS FOLLOWS:

(1) Any manufacturer of motor vehicles licensed in accordance with KRS 190.030 shall provide to any person upon request and at reasonable cost, any schematic, manual or any other technical documentation needed to service or repair motor vehicles manufactured by the manufacturer of a year model not to exceed ten (10) years prior to the current year model.

(2) Failure to comply with the provisions of subsection (1) of this section shall be grounds for suspension or revocation of a manufacturer's license in accordance with KRS 190.040.

SB 141. AN ACT relating to motor carriers.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 186.050 is amended to read as follows:

(1) The annual registration fee for motor vehicles, including taxicabs, airport limousines and U-Drive-Its, primarily designed for carrying passengers and having provisions for not more than nine (9) passengers, including the operator, shall be eleven dollars and fifty cents (\$11.50).

(2) The annual registration fee for each motorcycle shall be five dollars (\$5.00), and for each sidecar attachment, three dollars (\$3.00).

(3) (a) All motor vehicles having a declared gross weight of vehicle and any towed unit of six thousand (6,000) pounds or less except those mentioned in subsections (1) and (2) of this section and those engaged in hauling passengers for hire, operating under certificates of convenience and necessity, are classified as commercial vehicles and the annual registration fee, except as provided in subsections (4) to (14) hereof, shall be eleven dollars and fifty cents (\$11.50).

(b) All motor vehicles except those mentioned in subsections (1) and (2) of this section, and those engaged in hauling passengers for hire, operating under certificates of convenience and necessity, are classified as commercial vehicles and the annual registration fee, except as provided in subsections (3)(a) and (4) to (14) hereof, shall be as follows:

Declared Gross Weight of Vehicle and Any Towed Unit	Registration Fee
6,001-10,000	\$ 24.00
10,001-14,000	30.00
14,001-18,000	50.00
18,001-22,000	132.00
22,001-26,000	160.00
26,001-32,000	216.00
32,001-38,000	300.00
38,001-44,000	474.00
44,001-55,000	544.00
55,001-62,000	588.00
62,001-73,280	750.00
73,281-80,000 [~~82,000~~]	840.00

(4) (a) Any farmer owning a truck having a gross weight of thirty-eight thousand (38,000) pounds or less may have it registered as a farmer's truck and obtain a license for eleven dollars and fifty cents (\$11.50). The applicant's signature upon the certificate of registration and ownership shall constitute a certificate that he is a farmer engaged solely in the production of crops, livestock or dairy products, that he owns a truck of the gross weight of thirty-eight thousand (38,000) pounds or less, and that during the next twelve (12) months the truck will be used only in transporting persons, food, provender, feed, machinery, livestock, material and supplies necessary for his farming operation, and the products grown on his farm.

(b) Any farmer owning a truck having a declared gross weight in excess of thirty-eight thousand (38,000) pounds shall not be required to pay the fee set out in subsection (3) of this section and, in lieu thereof, shall pay forty percent (40%) of the fee set out in subsection (3) hereof and shall be exempt from any fee charged under the provisions of KRS 281.752. The applicant's signature upon the registration receipt shall be considered to be a certification that he is a farmer engaged solely in the production of crops, livestock or dairy products, and that during the current registration year the truck will be used only in transporting persons, food, provender, feed and machinery used in operating his farm and the products grown on his farm.

(5) Any person owning a truck or bus used solely in transporting school children and school employees may have the truck or bus registered as a school bus and obtain a license for eleven dollars and fifty cents (\$11.50) by filing with the county clerk, in addition to other information required, an affidavit stating that the truck or bus is used solely in the transportation of school children and persons employed in the schools of the district, that he has caused to be printed on each side of the truck or bus and on the rear door the words "School Bus" in letters at least six (6) inches high and of a conspicuous color and the truck or bus will be used during the next twelve (12) months only for the purpose stated.

(6) Any church or religious organization owning a truck or bus used solely in transporting persons to and from a place of worship or for other religious work may have the truck or bus registered as a church

bus and obtain a license for eleven dollars and fifty cents (\$11.50) by filing with the county clerk, in addition to other information required, an affidavit stating that the truck or bus will be used only for the transporting of persons to and from a place of worship, or for other religious work, and that there has been printed on the truck or bus in large letters the words "Church Bus," with the name of the church or religious organization owning and using the truck or bus, and that during the next twelve (12) months the truck or bus will be used only for the purpose stated.

(7) Any person owning a motor vehicle on which a wrecking crane and other equipment suitable for an automobile wrecker service has been permanently mounted may register the vehicle and obtain a license for eleven dollars and fifty cents (\$11.50) by filing with the county clerk, in addition to other information required, an affidavit that a wrecking crane and other equipment suitable for an automobile wrecker service has been permanently mounted on such vehicle and that during the next twelve (12) months the vehicle will be used only in automobile wrecker service.

(8) Motor vehicles having a declared gross weight in excess of eighteen thousand (18,000) pounds, which when operated in this state are used exclusively for the transportation of property within the limits of the city named in the affidavit hereinafter required to be filed, or within ten (10) miles of the city limits of the city if it is a city of the first, second, third, or fourth class, or within five (5) miles of its limits if it is a city of the fifth or sixth class, shall not be required to pay the fee as set out in subsection (3) of this section, and in lieu thereof shall pay forty percent (40%) of the fee set forth in subsection (3) hereof and shall be exempt from any fee charged under the provisions of KRS 281.752. Nothing in this section shall be construed to limit any right of nonresidents to exemption from registration under any other provisions of the laws granting reciprocity to nonresidents. Operations outside of this state shall not be considered in determining whether or not the foregoing mileage limitations have been observed. When claiming the right to the reduced fee, the applicant's signature on the certificate of registration and ownership shall constitute a certification or affidavit stating that the motor vehicle when used within this state is used only for the transportation of property within the city to be named in the affidavit and the area above set out and that the vehicle will not be used outside of a city and the area above set out during the current registration period.

(9) Motor vehicles having a declared gross weight in excess of eighteen thousand (18,000) pounds, which are used exclusively for the transportation of primary forest products from the harvest area to a mill or other processing facility, where such mill or processing facility is located at a point not more than fifty (50) air miles from the harvest area or which are used exclusively for the transportation of concrete blocks or ready mixed concrete from the point at which such concrete blocks or ready mixed concrete is produced to a construction site where such concrete blocks or ready mixed concrete is to be used, where such construction site is located at a point not more than thirty (30) air miles from the point at which such concrete blocks or ready mixed concrete is produced shall not be required to pay the fee as set out in subsection (3) of this section, and in lieu thereof shall pay forty percent (40%) of the fee set out in subsection (3) hereof and shall be exempt from any fee charged under the provisions of KRS 281.752. The applicant's signature upon the certificate of registration and ownership shall constitute a certification that the motor vehicle will not be used during the current registration period in any manner other than that for which the reduced fee is provided in this section.

(10) Motor vehicles used exclusively for the transportation and delivery of motor vehicles, not including trailers and semitrailers, by means of the full amount or truckaway methods on trailers or semitrailers, shall pay an amount equal to three-fourths ($\frac{3}{4}$) of the fee set out in subsection (3) hereof. Any applicant for such registration shall present to the county clerk a certification from the cabinet that the vehicle may be licensed in accordance herewith. No clerk shall issue registrations under this section without attaching a copy of the department's certification to the transportation cabinet's copy of the certificate of registration and ownership.

(11) Any owner of a commercial vehicle registered for a declared gross weight in excess of eighteen thousand (18,000) pounds, intending to transfer same and desiring to take advantage of the refund provisions of KRS 186.056(2) may reregister such vehicle and obtain a "For Sale" certificate of registration and ownership for one dollar (\$1.00). Title to a vehicle so registered may be transferred, but such registration shall not authorize the operation or use of the vehicle on any public highway. No refund may be made under the provisions of KRS 186.056(2) until such time as the title to such vehicle has been transferred to the purchaser thereof. Provided, however, that nothing herein shall be so construed as to prevent the seller of a commercial vehicle from transferring the registration of such vehicle to any purchaser thereof.

(12) The annual registration fee for self-propelled vehicles containing sleeping or eating facilities shall be twenty dollars (\$20.00) and the tag issued shall be designated "Housecar." Provided, however, that the foregoing shall not include any motor vehicle primarily designed for commercial or farm use having temporarily attached thereto any such sleeping or eating facilities, or any commercial vehicle having sleeping facilities.

(13) The registration fee on any vehicle registered under this section shall be increased fifty percent (50%) when such vehicle is not equipped wholly with pneumatic tires.

(14) (a) The department of vehicle regulation is authorized to negotiate and execute an agreement or agreements with other jurisdictions for the purpose of developing and instituting proportional registration of motor vehicles engaged in interstate commerce, or in a combination of interstate and intrastate commerce, and operating into, through or within the Commonwealth of Kentucky. The agreement or agreements may be made on a basis commensurate with, and determined by, the miles traveled on, and use made of, the highways of this Commonwealth as compared with the miles traveled on and use made of highways of other states, or upon any other equitable basis of proportional registration. Notwithstanding the provisions of KRS 186.020, the cabinet shall promulgate regulations concerning the registration of motor vehicles under any agreement or agreements made under this section and shall provide for direct issuance by it of evidence of payment of any registration fee required under such agreement or agreements. Any proportional registration fee required to be collected under any proportional registration agreement or agreements shall be in accordance with the taxes established in this section.

(b) Any owner of a commercial vehicle who is required to title his motor vehicle under this section shall first title such vehicle with the county clerk pursuant to KRS 186.020 for a state fee of one dollar (\$1.00). Title to such vehicle may be transferred, however title, without proper registration, shall not authorize the operation or use of the vehicle on any public highway. Any commercial vehicle properly titled in Kentucky may also be registered in Kentucky, and, upon payment of the required fees, the department may issue an apportioned registration plate to such commercial vehicle.

(c) Any commercial vehicle that is properly titled in a foreign jurisdiction, which vehicle is subject to apportioned registration as provided in (a) of this subsection may be registered in Kentucky, and, upon proof of proper title, and payment of the required fees, the department may issue an apportioned registration plate to such commercial vehicle. The department shall promulgate regulations in accordance with this section.

SB 147. AN ACT relating to traffic regulations.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 189.340 is amended to read as follows:

(1) Vehicles overtaking other vehicles proceeding in the same direction shall pass to the left of them and shall not again drive to the right until reasonably clear of those vehicles. Vehicles overtaking street cars may pass either to the right or left when so directed by a police officer, when on a one-way street or where the location of the tracks prevents compliance with this section, with regard for other traffic.

(2) The operator of a vehicle may overtake and pass upon the right of another vehicle only under the following conditions:

(a) When the vehicle overtaken is making or about to make a left turn;

(b) Upon a roadway with unobstructed pavement of sufficient width for two (2) or more lines of vehicles moving lawfully in the direction being traveled by the overtaking vehicle.

(3) The operator of a vehicle may overtake and pass another vehicle upon the right only under conditions permitting such movements in safety. Such movement shall not be made by driving off the roadway unless passing vehicle comes to a complete stop and such movement may be made safely.

(4) No vehicle shall be driven to the left side of the center of the roadway in overtaking and passing another vehicle proceeding in the same direction unless the left side is clearly visible and free of oncoming traffic for a sufficient distance ahead to permit overtaking and passing to be completely made without interfering with the safe operation of any vehicle approaching from the opposite direction or any vehicle overtaken. In every event the overtaking vehicle must return to the right-hand side of the roadway before coming within one hundred feet (100') of any vehicle approaching from the opposite direction.

(5) The commissioner of highways is hereby authorized to determine those portions of any highway where overtaking and passing or driving to the left of the roadway would be especially hazardous and may by

appropriate signs or markings on the roadway indicate the beginning and end of such zones, and when such signs or markings are in place and clearly visible to an ordinarily observant person, every driver of a vehicle shall obey the directions thereof.

(6) Whenever any roadway has been divided into three (3) clearly marked lanes for travel the following additional rules shall apply:

(a) A vehicle shall be driven as nearly as may be practical entirely within a single lane and shall not be moved from that lane until the driver has first ascertained that the movement can be made with safety;

(b) A vehicle shall not be driven in the center lane except when overtaking and passing another vehicle where the roadway is clearly visible and the center lane is clear of traffic within a safe distance, or in preparation for a left turn or where a center lane is at the time allocated exclusively to traffic moving in the direction in which the vehicle is proceeding and is signposted to give notice of the allocation;

(c) Official signs may be erected directing slow-moving traffic to use a designated lane or allocating specified lanes to traffic moving in the same direction and operators of vehicles shall obey the directions of such signs.

(7) *A vehicle shall not be driven in the left lane of any limited access highway of four (4) lanes or more with a posted speed limit of sixty-five (65) miles per hour except in overtaking a slower vehicle, yielding to traffic coming onto such a highway or when traffic conditions exist which would prohibit safe use of the right or center lanes.*

(8) (a) The operator of a motor vehicle shall not follow another vehicle more closely than is reasonable and prudent, having regard for the speed of the vehicle and the traffic upon and condition of the highway.

(b) The operator of any motor truck, semitrailer truck, bus or heavy construction equipment unit when traveling upon a highway outside of a business or residential district shall not follow within 250 feet of another such vehicle or equipment unit. This subsection shall not prevent overtaking and passing, nor shall it apply to any lane specially designated for use of motor trucks or semitrailer trucks, buses or heavy construction equipment units.

SB 236. AN ACT relating to the Kentucky Turnpike Authority and declaring an emergency.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 175.430 is amended to read as follows:

(1) The governor, the lieutenant governor, *the secretary of finance and administration* [the commissioner of highways], the state highway engineer, the secretary of commerce; the secretary of transportation, and the attorney general, and their respective successors in office, shall be a body corporate and politic constituting a public corporation and governmental agency and instrumentality of the Commonwealth by the name of "The Turnpike Authority of Kentucky," with perpetual succession and with power in that name to contract and be contracted with, sue and be sued, have and use a corporate seal, and exercise, in addition to the powers and functions specifically stated in this chapter, all of the usual powers of private corporations to the extent that the same are not inconsistent with specifically enumerated powers.

(2) The members of the authority shall receive no compensation for their services in that capacity, but shall be entitled to reimbursement for all reasonable expenses necessarily incurred in connection with performance of their duties and functions as such members.

(3) Four (4) members of the authority shall constitute a quorum for the transaction of business; and in the absence of a quorum, one (1) or more members may adjourn from time to time until a quorum is convened. Each member may designate in writing a proxy for the transaction of business. Within ninety (90) days from March 25, 1960, the authority shall convene and organize. The governor shall, by virtue of his office, be the chairman of the authority and the lieutenant governor shall in like manner be the vice-chairman. The authority shall elect a secretary and a treasurer who shall not be members of the authority, each of whom shall serve at the pleasure of the authority and shall receive such compensation as may be determined by the authority with approval of the commissioner of personnel to be paid from the budgeted funds of the

department. The treasurer shall give bond to the authority and the Commonwealth conditioned upon his faithful accounting for all funds coming into his custody from time to time, the same to be in such amount as the authority may prescribe, with corporate surety given by a surety company qualified to do business in the Commonwealth, premium therefor to be paid by the authority. The authority shall establish and maintain an office in premises which shall be provided for that purpose by the finance and administration cabinet without cost to the authority; and the secretary of the authority shall at all times maintain therein complete records of all of the authority's actions and proceedings, which shall constitute public records open to inspection at reasonable times.

Section 2. To implement the administrative reorganization of the Kentucky Turnpike Authority, it is necessary for the secretary of finance and administration to assume his position as a voting member of the authority at the earliest practicable date. Therefore, an emergency is declared to exist and this Act shall be effective upon its passage and approval by the Governor.

SB 242. AN ACT relating to highways.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 177.035 is amended to read as follows:

Whenever the Kentucky state bureau of highways shall determine that it is necessary that any fireplugs, pipes, mains, conduits, cables, wires, towers, poles and other equipment and appliances, belonging to any municipality or a municipally-owned utility, or any water district established pursuant to KRS Chapter 74 or any sanitation district established pursuant to KRS Chapter 220, must be removed or relocated on, along, over or under a highway, in order to construct, reconstruct, relocate or improve any such highway, ~~when such construction, reconstruction, relocation or improvement is wholly or partially financed by funds provided by the United States,~~ the municipality or the municipally-owned utility or the water district or the sanitation district shall relocate or remove same in accordance with the order of the bureau of highways; and the costs and expenses of such relocation or removal, including the costs of installing such facilities in a new location or new locations, and the cost of any lands, or any rights or interest in lands, and any other rights, acquired to accomplish such relocation or removal, shall be ascertained and paid by the bureau of highways as a part of the cost of improving or constructing such highways.

SB 277. AN ACT relating to recyclers.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 177.915 is amended to read as follows:

The permit required by KRS 177.910 shall be issued in accordance with the rules and regulations of the bureau, promulgated pursuant to the provisions of KRS 177.905 to 177.950, when it is shown to the satisfaction of the commissioner that an automobile, vehicle, machinery or material recycling establishment or place of business located closer than 1,000 feet from the right-of-way line of any road is, so far as deemed practical by the commissioner, hidden from the view of motorists using such road by an artificial or natural screen, or is by virtue of natural topography so hidden. The screening required in this section may be effected by the construction of a fence, or by planting shrubs, trees, or flowering plants, the foliage of which ~~shall immediately upon planting, provide~~ ~~[provides]~~ a sufficient screen or by making use of foliage already in existence. Any automobile, vehicle, machinery or material recycling establishment or place of business that cannot as a practical matter be screened, shall be required to be removed.

The Committee on Banking and Insurance reported **SB 197, SB 284, SB 285, SB 305, SB 314 and SB 329** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 197. AN ACT relating to credit unions.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 290.092 is amended to read as follows:

(1) If any credit union fails to make the report prescribed by KRS 290.090 within fifteen (15) days after it is due, or fails to pay the charges required by this chapter, including the charges for delay in filing reports, the commissioner shall give notice to the credit union of his intention to revoke the certificate of approval of the corporation. If such failure continues for fifteen (15) days after the notice, the commissioner may, in his discretion, revoke the certificate of approval and take possession of the property and business of the credit union until such time as the commissioner permits it to resume business, or until its affairs are liquidated.

(2) If the commission has knowledge or reasonable cause to believe that any credit union, or any director, officer, employe, agent, or other person participating in the conduct of the affairs of the credit union has engaged in violations of law, or charter, bylaw, or administrative regulation by the department, or in unsafe or unsound business practices, or a breach of any written agreement with the department, he may issue and serve upon such credit union, director, officer, employe, agent, or other person a notice of charges containing a statement of facts with respect to alleged violations or practices, and not earlier than thirty (30) days nor later than sixty (60) days after service of such statement fix the time and place at which a hearing will be held to determine whether an order to cease and desist should issue against the credit union, director, officer, employe, agent or other person.

(3) Unless the party or parties so served shall appear at the hearing personally or by a duly authorized representative, they shall be deemed to have consented to the issuance of the cease and desist order.

(4) In the event of such consent, or if upon the record made at any such hearing the commissioner shall find that any violation or unsafe or unsound practice specified in the notice of charges has been established, he may issue and serve upon the credit union, director, officer, employe, agent or other person an order to cease and desist from any such violation or practice and, further, to take affirmative action to correct the conditions resulting from such violation or practice.

(5) If the commissioner shall determine that the violation or practice, as specified in the notice of charges pursuant to subsection (2) of this section, or the continuation thereof, is likely to cause insolvency or substantial dissipation of assets or earnings of the credit union, or is likely to otherwise seriously prejudice the interests of its members, he may issue a temporary order requiring the credit union, director, officer, employe, agent or other person to cease and desist from any such violation or practice.

(6) A cease and desist order or temporary cease and desist order shall become effective upon service or at the expiration of not more than thirty (30) days after the date of service. Unless set aside, limited or suspended, as provided by subsection (7) of this section, a temporary cease and desist order shall remain effective and enforceable pending completion of the administrative proceeding until the commissioner shall dismiss all specified charges, or, until the effective date of a cease and desist order.

(7) Within ten (10) days after service of a temporary cease and desist order, the party or parties served may apply to the circuit court of the residence of the individual or of the principal office of the credit union for an injunction setting aside, limiting, or suspending the enforcement, operation or effectiveness of such order pending completion of administrative proceedings, and such court shall have jurisdiction to issue an injunction.

(8) In the case of violation or threatened violation of, or failure to obey, a temporary cease and desist order or a cease and desist order issued pursuant to this section, the commissioner may apply to the circuit court of the residence of the individual or of the principal office of the credit union for an injunction to enforce such order, and it shall be the duty of the court to issue such injunction [When it appears to the commissioner that any credit union has violated any of the provisions of this chapter, or any rule or regulation adopted pursuant thereto, he may, after an opportunity for hearing has been given such credit union, make an order, over his signature and official seal, directing the credit union to discontinue the illegal practices specified in the order. If any credit union is insolvent, has violated any of the provisions of this chapter or has failed to comply, within a reasonable time, with any order mailed to the last address recorded with the commissioner by the credit union, then the commissioner, or one of his deputies, shall take possession of the business and property of the credit union as soon as practicable, and shall retain such possession until the commissioner permits it to resume business, or until its affairs are liquidated].

Section 2. KRS 290.155 is amended to read as follows:

(1) The credit union shall be directed by a board consisting of an odd number of directors, at least five (5) in number, to be elected at the annual members' meeting by and from the members. All members of the board shall hold office for such terms as the bylaws provide.

(2) The board of directors shall appoint a supervisory committee of not less than three (3) persons at the organization meeting held within thirty (30) days following each annual meeting of the members for such terms as the bylaws provide. *No member of the board of directors shall be appointed to the supervisory committee.*

(3) The board of directors shall appoint a credit committee consisting of an odd number, not less than three (3), for such terms as the bylaws provide, or in lieu of a credit committee, a credit manager.

Section 3. KRS 290.296 is amended to read as follows:

(1) The supervisory committee by a unanimous vote may suspend any member of the credit committee and shall report such action to the board of directors for appropriate action.

(2) The supervisory committee by a unanimous vote may suspend any officer or member of the board of directors until the next members' meeting, which shall be held not less than seven (7) nor more than twenty-one (21) days after such suspension. At such meeting the suspension shall be acted upon by the members.

(3) Any member of the supervisory committee may be removed by the board of directors for failure to perform his duties in accordance with this chapter, the articles of incorporation, or the bylaws.

(4) *If the commissioner shall determine that any officer or director of a credit union has committed any violation of law, administrative regulation or of a cease and desist order which has become final, or has engaged in or participated in any unsafe or unsound practice in connection with the credit union, or has committed or engaged in any act, omission, or practice which constitutes a breach of his fiduciary duty as such officer or director, and the commissioner determines that the credit union has suffered or will probably suffer substantial financial loss or other damages or that the interests of its members could be seriously prejudiced by reason of such violation or practice or breach of fiduciary duty or that the director or officer has received financial gain by reason of the violation or practice or breach of fiduciary duty, the commissioner may serve upon such director or officer a written notice of intention to remove him from office. The violation, practice or breach must be one involving personal dishonesty on the part of such director or officer, or one which demonstrates a willful or continuing disregard for the safety or soundness of the credit union. The written notice shall serve to suspend the officer or director from office. Such suspension shall become effective upon service of such notice and, unless stayed by a court in proceedings authorized by subsection (6) of this section, shall remain in effect pending the completion of the administrative proceedings under subsection (5) of this section and until such time as the commissioner shall dismiss the charges specified in such notice or, if an order of removal is issued against the officer or director, the effective date of any such order.*

(5) *A notice of intention to remove an officer or director from office shall contain a statement of the facts constituting grounds therefore, and shall fix a time and place at which a hearing will be held thereon. Such hearing shall be fixed for a date not earlier than thirty (30) days nor later than sixty (60) days after the date of service of such notice, unless an earlier date is set by the commissioner at the request of such officer or director and for good cause shown. Unless such officer or director shall appear at the hearing in person or by duly authorized representative, he shall be deemed to have consented to the issuance of an order of removal. In the event of such consent, or if upon the record made at any such hearing the commissioner shall find that any of the grounds specified in such notice have been established, the commissioner may issue such orders of suspension or removal from office as he deems appropriate.*

(6) *Within ten (10) days after an officer or director has been suspended from office, such officer or director may apply to the circuit court of the residence of the individual or of the principal office of the credit union for a stay of such suspension pending the completion of the administrative proceedings pursuant to the notice served upon such officer or director, and such court shall have jurisdiction to grant such stay.*

(7) *Any person aggrieved by a final order of the commissioner under subsection (5) of this section may obtain a review of the order by filing in the circuit court of the residence of the individual or of the principal office of the credit union a petition of appeal within ten (10) days after the rendition of a final order. A copy of the petition shall be served upon the commissioner and thereupon the commissioner or his agent shall certify and file in court a copy of the record or other evidence upon which the order is entered. No objection to the order may be considered by the court unless it was argued before the commissioner or there were reasonable grounds for failure to do so.*

(8) *The commissioner may apply to the circuit court of the residence of the individual or of the principal*

office of the credit union for an injunction to enforce any order under subsection (5) of this section and it shall be the duty of the court to issue such injunction.

Section 4. KRS 290.325 is amended to read as follows:

(1) At such intervals and for such periods as the board of directors may authorize, and after provision for the required reserves, the board of directors may declare dividends to be paid on shares and share certificates from net ~~[the undivided]~~ earnings. *Prior approval of the commissioner shall be required for the payment of dividends in excess of net earnings, except that if the excess is less than one percent (1%) of undivided earnings prior approval shall not be required.*

(2) Dividends may be paid at various rates, or not paid at all, with due regard to the conditions that pertain to each class of share.

Section 5. KRS 290.585 is amended to read as follows:

Funds not used in loans to members may be invested:

(1) In securities, obligations, or other instruments of or issued by or fully guaranteed as to principal and interest by the United States of America or any agency thereof or in any trust or trusts established for investing directly or collectively in the same;

(2) In obligations of any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and the several territories organized by Congress, or any political subdivision thereof;

(3) In certificates of deposit or passbook-type accounts issued by a state or national bank, mutual savings bank, or savings and loan association;

(4) (a) In loans, not to exceed twenty-five percent (25%) of capital at the lending credit union, to; or

(b) In shares or deposits, not to exceed ten percent (10%) of the capital of the investing credit union, of other credit unions, central credit unions, corporate credit unions, or a central liquidity facility established under state or federal law;

(5) In shares, stocks, loans or other obligations of any organization, corporation, or association, provided the membership or ownership, as the case may be, of such organization, corporation, or association is primarily confined or restricted to credit unions, or organizations of credit unions, and provided further the purpose for which it is organized is to strengthen or advance the development of credit unions or credit union organizations;

(6) In shares of a cooperative society organized under the laws of this state or of the laws of the United States in the total amount not exceeding ten percent (10%) of the shares, deposits, and surplus of the credit union;

(7) In stocks and bonds of corporations organized in any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico and the several territories organized by Congress to *an aggregate [a] maximum of five percent (5%) of members' shares in stocks and an aggregate maximum of five percent (5%) of members' shares in bonds*, provided that such investments shall be limited to stocks or bonds which appear on a list approved by the commissioner and published quarterly or annually, such list to include not less than thirty (30) corporations.

SB 284. AN ACT relating to insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 304.33-010 is amended to read as follows:

(1) Short title. This subtitle may be cited as the "Insurers Rehabilitation and Liquidation Law."

(2) Construction. No limitation of powers. This subtitle shall not be interpreted to limit the powers granted the commissioner by other provisions of the law.

(3) Liberal construction. This subtitle shall be liberally construed to effect the purpose stated in subsection (4) of this section.

(4) Purpose. The purpose of this subtitle is the protection of the interests of insureds, creditors, and the public generally, with minimum interference with the normal prerogative of proprietors, through:

(a) Early detection of any potentially dangerous condition in an insurer, and prompt application of appropriate corrective measures, neither unduly harsh nor subject to the kind of publicity that would needlessly damage or destroy the insurer;

(b) Improved methods for rehabilitating insurers, by enlisting the advice and management expertise of the insurance industry;

(c) Enhanced efficiency and economy of liquidation, *through the consolidation of matters relating to the liquidation under the supervision of a single court so as to avoid divergent rulings by a multiplicity of judicial tribunals and through clarification and specification of the law*, to minimize legal uncertainty and litigation;

(d) Equitable apportionment of any unavoidable loss;

(e) Lessening the problems of interstate rehabilitation and liquidation by facilitating cooperation between states in the liquidation process, and by extension of the scope of personal jurisdiction over debtors of the insurer outside this state; and

(f) Regulation of the insurance business by the impact of the law relating to delinquency procedures and substantive rules on the entire insurance business.

(5) *All persons who voluntarily transact business with an insurer which is subsequently the subject of a delinquency proceeding under this subtitle shall be conclusively presumed to have transacted such business with the intent that the provisions of this subtitle would control in the event of any delinquency proceeding in this state.*

(6) *In the event of a delinquency proceeding under this subtitle, the provisions of this subtitle shall govern those proceedings and all conflicting contractual provisions contained in any contract between the insurer which is subject to the delinquency proceeding and any third party, including, but not limited to, the choice of law or arbitration provisions, shall be deemed subordinated to the provisions of this subtitle.*

Section 2. KRS 304.33-020 is amended to read as follows:

The proceedings authorized by this subtitle may be applied to:

(1) *All domestic insurers, whether or not they purport to do business in this state;*

(2) All insurers who are doing, or have done, an insurance business in this state, and against whom claims arising from that business may exist now or in the future;

(3)~~(2)~~ All insurers who purport to do an insurance business in this state;

(4)~~(3)~~ All insurers who have insureds resident in this state;

(5)~~(4)~~ All other persons organized or in the process of organizing with the intent to do an insurance business in this state;

(6)~~(5)~~ All fraternal benefit societies as defined in subtitle 29; and

(7)(6)] All nonprofit hospital, medical-surgical, dental, and health service corporations, as defined in subtitle 32.

(8)(7)] All Health Maintenance Organizations as defined in Subtitle 38.

Section 3. KRS 304.33-030 is amended to read as follows:

For the purposes of this subtitle:

(1) *"Agent" means all persons who have collected or are holding premiums or other assets of the insurer, including, but not limited to, brokers, intermediaries, managing general agents, underwriting managers and reinsurance managers, and any other persons who have entered into a fiduciary relationship with the insurer subject to delinquency proceedings, including, but not limited to, persons holding licenses under subtitles 9, 32, 38 and 43 of KRS Chapter 304.*

(2) *"Commissioner" means the commissioner of insurance of this state.*

(3)(2)] *"Receiver" means receiver, liquidator, rehabilitator or conservator, as the context requires.*

(4)(3)] *"Insurer" has the meaning defined in subtitle 1. For purposes of this subtitle, all other persons included under subsection (2) of this section shall be deemed to be insurers.*

(5)(4)] *"Delinquency proceeding" means any proceeding commenced against an insurer for the purpose of liquidating, rehabilitating, reorganizing or conserving such insurer, and any summary proceeding under KRS 304.33-110 to 304.33-130, inclusive.*

(6)(5)] *"State" has the meaning defined in subtitle 1.*

(7)(6)] *"Foreign country" means territory not in any state.*

(8)(7)] *"Domiciliary state" means the state in which an insurer is incorporated or organized or, in the case of an alien insurer, the state in which the insurer has, at the commencement of delinquency proceedings, the largest amount of its assets held in trust and on deposit for the benefit of policyholders and creditors in the United States.*

(9)(8)] *"Ancillary state" means any state other than a domiciliary state.*

(10)(9)] *"Reciprocal state" means any state other than this state in which in substance and effect subsection (1) of KRS 304.33-200, subsections (1) and (3) of KRS 304.33-530, KRS 304.33-540, and KRS 304.33-560 to 304.33-590, inclusive, are in force, and in which provisions are in force requiring that the commissioner be the receiver of a delinquent insurer, and in which some provision exists for the avoidance of fraudulent conveyances and preferential transfers.*

(11)(10)] *"General assets" means all property, real, personal or otherwise, not specifically mortgaged, pledged, deposited or otherwise encumbered for the security or benefit of specified persons or limited classes of persons, and as to specifically encumbered property the term includes all such property or its proceeds in excess of the amount necessary to discharge the sums secured thereby. Assets held in trust and on deposit for the security or benefit of all policyholders or all policyholders and creditors, in more than a single state, shall be treated as general assets. *General assets shall not mean unearned premiums due or owed the insurer by any person at the time an insolvency or liquidation is declared by a court of competent jurisdiction. General assets shall not mean unearned premiums held in trust or a deposit by any person.**

(12) *"Reinsurance intermediary" means any person who acts as a broker in soliciting, negotiating, or procuring the making of any reinsurance contract or binder, or acts as an agent in accepting any reinsurance contract or binder on behalf of an insurer.*

(13) *"Court" means the Franklin circuit court.*

(14)(11) "Preferred claim" means any claim with respect to which the law accords priority of payment from the general assets of the insurer.

(15)(12) "Special deposit claim" means any claim secured by a deposit made pursuant to law for the security or benefit of one or more limited classes of persons, but not including any claim secured by general assets.

(16)(13) "Secured claim" means any claim secured by mortgage, trust deed, pledge, deposit as security, escrow or otherwise, but not including special deposit claims or claims against general assets, *including, but not limited to, claims of setoff, counterclaim, or recoupment against obligations to pay premiums to the insurer.* The term also includes claims which have become liens upon specific assets by reason of judicial process, except where they have been invalidated.

(17) "Premium" has the meaning set forth in subtitle 14.

(18)(14) "Insolvency" means that the insurer is unable to pay its debts or meet its obligations as they mature or that its assets do not exceed its liabilities plus the greater of:

- (a) Any capital and surplus required by law to be constantly maintained, or
- (b) Its authorized and issued capital stock.

For purposes of this subsection, "assets" includes one-half (1/2) of the maximum total assessment liability of the policyholders of the insurer, and "liabilities" includes reserves required by law. For policies issued on the basis of unlimited assessment liability, the maximum total liability, for purposes of determining solvency only, shall be deemed to be that amount that could be obtained if there were one hundred percent (100%) collection of an assessment at the rate of ten (10) mills.

(19)(15) "Fair consideration" is given for property or an obligation:

(a) When in exchange for such property or obligation, as a fair equivalent therefor, and in good faith, property is conveyed or services are rendered or obligation is incurred or an antecedent debt is satisfied; or

(b) When such property or obligation is received in good faith to secure a present advance or antecedent debt in amount not disproportionately small as compared to the value of the property or obligation obtained.

(20)(16) "Creditor" is a person having any claim, whether matured or unmatured, liquidated or unliquidated, secured or unsecured, absolute, fixed or contingent.

(21)(17) "Transfer" includes the sale and every other method, direct or indirect, of disposing of or of parting with property or with an interest therein or with the possession thereof or of fixing a lien upon property or upon an interest therein, absolutely or conditionally, voluntarily or involuntarily, by or without judicial proceedings. The retention of a security title to property delivered to a debtor shall be deemed a transfer suffered by the debtor.

(22)(18) "Doing business" has the meaning designated in subtitle 1.

Section 4. KRS 304.33-040 is amended to read as follows:

(1) Actions by commissioner. Except as provided in subsection (2) of this section, and subsection (1) of KRS 304.33-230, no delinquency proceeding shall be commenced under this subtitle by anyone other than the commissioner and no court shall have jurisdiction to entertain, hear or determine any proceeding commenced by any other person.

(2) Action by judgment creditors:

(a) The judgment creditors of three (3) or more unrelated judgments may commence proceedings under

the conditions and in the manner prescribed in this subsection, by serving notice upon the commissioner and the insurer of intention to file a petition for liquidation under KRS 304.33-190 or 304.33-520. Each of the judgments must:

1. Have been rendered against the insurer by a court in this state having jurisdiction over the subject matter and the insurer;
2. Have been entered more than sixty (60) days before the service of notice;
3. Not have been paid in full;
4. Not be the subject of a valid contract between the insurer and any judgment creditor for payment of the judgment, unless the contract has been breached by the insurer; and
5. Not be a judgment on which an appeal or review is pending.

(b) If any one of the judgments in favor of a petitioning creditor remains unpaid for thirty (30) days after service of the notice, and the commissioner has not then filed a petition for liquidation, the creditor may file in the name of the commissioner a verified petition for liquidation of the insurer under KRS 304.33-190 or 304.33-520 alleging the conditions stated in this subsection. The commissioner shall be served and joined in the action.

(3) Exclusiveness of proceedings.

(a) *The court shall have exclusive jurisdiction to entertain, hear, or determine all matters in any way relating to any delinquency proceeding under this subtitle, including, but not limited to, all disputes involving purported assets of the insurer.*

(b) *Notwithstanding the provisions of paragraph (a) of this subsection, the court may authorize the receiver to seek injunctive or other appropriate relief from other courts, either within or without this state, if, in the opinion of the court, such action will be an aid to any delinquency proceeding.*

(c) *The court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this subtitle. No provisions in this subtitle shall be construed to preclude the court from, on its own motion, taking any action or making any determination necessary or appropriate to enforce or implement court orders or rules or to prevent an abuse of process [No court of this state shall have jurisdiction to entertain, hear or determine any complaint praying for the dissolution, liquidation, rehabilitation, sequestration, conservation or receivership of any insurer, or praying for an injunction or restraining order or other relief preliminary to, incidental to or relating to such proceedings other than in accordance with this subtitle].*

(4) Change of venue. Venue for proceedings arising under this subtitle shall be laid initially as specified in the sections providing for such proceedings. All other actions and proceedings initiated by the receiver may be commenced and tried where the delinquency proceedings are then pending, or where venue would be laid by KRS Chapter 452 or other applicable law. All other actions and proceedings against the receiver shall be commenced and tried in the county where the delinquency proceedings are pending. At any time upon motion of any party, venue may be changed by order of the court or the presiding judge thereof to any other circuit court in this state, as the convenience of the parties and witnesses and the ends of justice may require. This subsection relates only to venue and is not jurisdictional.

(5) Personal jurisdiction, grounds for. In addition to other grounds for jurisdiction provided by the law of this state, a court of this state having jurisdiction of the subject matter has jurisdiction over a person served in an action brought by the receiver of a domestic insurer or an alien insurer domiciled in this state:

(a) If the person served is obligated to the insurer in any way as an incident to any agency or brokerage arrangement that may exist or has existed between the insurer and the agent or broker, in any action on or incident to the obligation;

(b) If the person served is a re-insurer who has at any time written a policy of re-insurance for an insurer against which a rehabilitation or liquidation order is in effect when the action is commenced, or

is an agent or broker of or for the re-insurer, in any action on or incident to the re-insurance contract; ~~[or]~~

(c) If the person served is or has been an officer, manager, trustee, organizer, promoter or person in a position of comparable authority or influence in an insurer against which a rehabilitation or liquidation order is in effect when the action is commenced, in any action resulting from the relationship with the insurer;

(d) *If the person served is or was at the time of the institution of the delinquency proceedings holding assets in which the receiver claims an interest on behalf of the insurer;*

(e) *If the person served has filed a claim against the insurer under the provisions of KRS 304.33-360;*
or

(f) *If the person served is otherwise amenable to the exercise of personal jurisdiction by the courts of this state under the provisions of the due process clause of the fourteenth amendment to the United States Constitution.*

(6) *Service of process.*

(a) *If personal jurisdiction is authorized by this section, service of process may be made on the person, or any agent of the person, in the county of this state where he may be found, or on the secretary of state who, for this purpose, shall be deemed to be the statutory agent of the person.*

(b) *The clerk of the court in which the action is brought shall issue a summons against the defendant named in the complaint. The clerk shall execute the summons by sending by certified mail a true copy to the secretary of state and shall also mail with the summons an attested copy of the complaint. The secretary of state shall, within seven (7) days of receipt thereof in his office, mail the copy of the summons and complaint to the defendant at the address given in the complaint. The letter shall be posted by certified mail, return receipt requested, and shall bear the return address of the secretary of state. The clerk shall make the usual return to the court, and, in addition, the secretary of state shall make a return to the court showing that the acts contemplated by this statute have been performed, and shall attach to his return the registry receipt, if any. Summons shall be deemed to be served upon the return of the secretary of state and the action shall proceed as provided in the Rules of Civil Procedure.*

(c) *The clerk mailing the summons to the secretary of state shall mail to him, at the same time, a fee of ten dollars (\$10), which shall be taxed as costs in the action.*

(7) *Forum non conveniens. If the court on motion of any party finds that any action commenced under subsection (5) of this section should as a matter of substantial justice be tried in a forum outside this state, the court may enter an order to stay further proceedings on the action in this state.*

Section 5. KRS 304.33-050 is amended to read as follows:

(1) *Injunctions [in this state]. Any receiver appointed in a proceeding under this subtitle may at any time apply for and any court of general jurisdiction [in this state] may grant such restraining orders, temporary and permanent injunctions, and other orders as are deemed necessary and proper to prevent:*

(a) *The transaction of further business by or on behalf of the insurer;*

(b) *The transfer of property against which the receiver has a claim;*

(c) *Interference with the receiver or with the proceedings;*

(d) *Waste of the insurer's assets;*

(e) *Dissipation and transfer of bank accounts;*

(f) *The institution or further prosecution of any actions or proceedings by or on behalf of the insurer;*

(g) *The institution or further prosecution of any action against the receiver or the insurer including, but not limited to, interpleader or other actions involving assets against which the receiver has a claim;*

(h) The obtaining of preferences, judgments, attachments, garnishments or liens against the insurer or its assets;

(i)(~~h~~) The levying of execution against the insurer or its assets;

(j)(~~h~~) The making of any sale or deed for nonpayment of taxes or assessments that would lessen the value of the assets of the insurer;

(k)(~~g~~) The withholding from the receiver of books, accounts, documents or other records relating to the business of the insurer; or

(l)(~~h~~) Any other threatened or contemplated action that might lessen the value of the insurer's assets or prejudice the rights of policyholders, creditors or shareholders, or the administration of the proceeding.

(2) Injunctions [~~elsewhere~~]. The receiver may apply to any court outside of this state for the relief described in subsection (1) of this section.

Section 6. KRS 304.33-060 is amended to read as follows:

In any proceeding under this subtitle in which the receiver is the prevailing party, the court shall award the receiver, in addition to such other relief as may be appropriate, all costs and expenses, including, but not limited to, attorneys' fees incurred in pursuing that litigation, without regard to the limitations otherwise prescribed by law [In any proceeding under this subtitle, the court may award such costs and other expenses of litigation as justice requires, without regard to the limitations otherwise prescribed by law].

Section 7. KRS 304.33-070 is amended to read as follows:

(1) Duty to cooperate. Any officer, manager, trustee or [~~general~~] agent of any insurer and any other person with executive authority over or in charge of any segment of the insurer's affairs *or in possession of property to which the commissioner has a claim* shall cooperate with the commissioner *or anyone acting on behalf of the commissioner* in any delinquency proceeding. "To cooperate" includes, but is not limited to the following:

(a) To reply promptly in writing to any inquiry from the commissioner requesting such a reply; and

(b) To make available and deliver to the commissioner any books, accounts, documents or other records, or information or property of or pertaining to the insurer and in his possession, custody or control.

(2) Duty not to obstruct. No person shall obstruct or interfere with the commissioner in the conduct of any delinquency proceeding.

(3) *Any person who fails to cooperate with or obstructs the efforts of the commissioner in the conduct of any delinquency proceeding shall have denied any claims the person has filed pursuant to KRS 304.33-360 and shall also be subject to such other sanctions as the court may impose.*

(4) Right to defend. This section shall not render it illegal to resist by legal proceedings the petition for liquidation or other delinquency proceedings, or other orders.

SECTION 8. A NEW SECTION OF KRS 304.33-070 TO 304.33-080 IS CREATED TO READ AS FOLLOWS:

The commissioner, his special deputies, and all others appointed to act on his behalf in connection with any delinquency proceedings under this subtitle shall not be liable for any acts or omissions done in good faith and within the scope of their authority during the course of the delinquency proceedings, including, but not limited to, the settlement of disputed claims, and shall be immune from any civil or criminal liability that

might otherwise be incurred or imposed based upon the acts or omissions.

Section 9. KRS 304.33-140 is amended to read as follows:

The commissioner may apply by verified petition to the [circuit] court [for Franklin County or for the county in which the principal office of the insurer is located] for an order directing him to rehabilitate a domestic insurer or an alien insurer domiciled in this state on any one or more of the following grounds:

- (1) Any ground on which he may apply for an order of liquidation under KRS 304.33-190, whenever he believes that the insurer may be successfully rehabilitated without substantial increase in the risk of loss to creditors of the insurer or to the public.
- (2) That the commissioner has reasonable cause to believe that there has been embezzlement from the insurer, wrongful sequestration or diversion of the insurer's assets, forgery or fraud affecting the insurer or other illegal conduct in, by or with respect to the insurer, that if established would endanger assets in an amount threatening the solvency of the insurer.
- (3) That any one of the following circumstances has occurred and the commissioner has reasonable cause to believe that the insurer is insolvent or that assets are endangered in an amount threatening the solvency of the insurer:
 - (a) That information coming into the commissioner's possession has disclosed substantial and not adequately explained discrepancies between the insurer's records and the most recent annual report or other official company reports;
 - (b) That the insurer has failed to remove any person who in fact has executive authority in the insurer, whether an officer, manager, general agent, employe or other person, if the person has been found by the commissioner after notice and hearing to be dishonest or untrustworthy in a way affecting the insurer's business;
 - (c) That control of the insurer, whether by stock ownership or otherwise, and whether direct or indirect, is in one or more persons found by the commissioner after notice and hearing to be dishonest or untrustworthy;
 - (d) That any person who in fact has executive authority in the insurer, whether an officer, manager, general agent, employe or other person, has refused to be examined under oath by the commissioner concerning its affairs, whether in this state or elsewhere, and after reasonable notice of the fact the insurer has failed promptly and effectively to terminate the employment and status of the person and all his influence on management;
 - (e) That the insurer has refused to submit its books, accounts, documents or other records to the reasonable examination or inspection of the commissioner or his authorized representative.
- (4) That the insurer is or is about to become insolvent.
- (5) That the insurer is engaging in a systematic practice of reaching settlements with and obtaining releases from policyholders or third-party claimants and then unreasonably delaying payment of or failing to pay the agreed upon settlements.
- (6) That the insurer is in such condition that the further transaction of business would be hazardous, financially or otherwise, to its policyholders, its creditors or the public.
- (7) That within the previous twelve (12) months the insurer has systematically attempted to compromise with its creditors on the ground that it is financially unable to pay its claims in full.
- (8) That without first obtaining the written consent of the commissioner, the insurer has transferred, or attempted to transfer, substantially its entire property or business, or has entered into any transaction the effect of which is to merge, consolidate or re-insure substantially its entire property or business in or with the property or business of any other person.
- (9) That the insurer or its property has been or is the subject of an application for the appointment

of a receiver, trustee, custodian, conservator or sequestrator or similar fiduciary of the insurer or its property otherwise than as authorized under this subtitle, and that such appointment has been made or is imminent, and that such appointment might oust the courts of this state of jurisdiction or prejudice orderly delinquency proceedings under this subtitle.

(10) That within the previous year the insurer has wilfully violated its charter or articles of incorporation or any insurance law or regulation of this state, or having become aware within the previous year of an unintentional violation has failed to take all reasonable steps to remedy the situation resulting from the violation and to prevent future violations.

(11) That the directors of the insurer are deadlocked in the management of the insurer's affairs and that the members or shareholders are unable to break the deadlock and that irreparable injury to the insurer, its creditors or its policyholders is threatened by reason thereof.

(12) That the insurer has failed to file its annual report or other report within the time allowed by law, and after written demand by the commissioner has failed to give an adequate explanation immediately.

(13) That two-thirds (2/3) of the board of directors, or the holders of a majority of the shares entitled to vote, or a majority of members or policyholders of an insurer subject to control by its members or policyholders, consent to rehabilitation under this subtitle. *Upon the issuance of an order directing the commissioner to rehabilitate a domestic insurer, the court shall have exclusive jurisdiction over all matters relating to the rehabilitation, including, but not limited to, the proper scope and application of the provisions of this subtitle to the rehabilitation as well as all interpretation and enforceability of all contracts of insurance to which the insurer is a party.*

Section 10. KRS 304.33-150 is amended to read as follows:

(1) Appointment of rehabilitator. An order to rehabilitate the business of a domestic insurer, or an alien insurer domiciled in this state, shall appoint the commissioner and his successors in office rehabilitator and shall direct the rehabilitator forthwith to take possession of the assets of the insurer and to administer them under the orders of the court. The filing or recording of the order with any county clerk in the state imparts the same notice as a deed, bill of sale or other evidence of title duly filed or recorded with that county clerk.

(2) Anticipatory breach. Entry of an order of rehabilitation shall not constitute an anticipatory breach of any contracts of the insurer *and it shall not be grounds for revocation or cancellation of any contracts of the insurer.*

Section 11. KRS 304.33-190 is amended to read as follows:

The commissioner may apply by petition to the circuit court for Franklin County or for the county in which the principal office of the insurer is located for an order directing him to liquidate a domestic insurer or an alien insurer domiciled in this state on any one or more of the following grounds:

(1) Any ground on which he may apply for an order of rehabilitation under KRS 304.33-140, whenever he believes that attempts to rehabilitate the insurer would substantially increase the risk of loss to its creditors, its policyholders or the public, or would be futile, or that rehabilitators would serve no useful purpose;

(2) That the insurer has commenced, or within the previous year has attempted to commence, voluntary liquidation otherwise than under the insurance laws of this state;

(3) That the holders of two-thirds (2/3) of the shares entitled to vote, or two-thirds (2/3) of the members or policyholders entitled to vote in an insurer controlled by its members or policyholders, have consented to a petition. *Upon the issuance of an order directing the commissioner to liquidate a domestic insurer, the court shall have exclusive jurisdiction over all matters relating to the liquidation, including, but not limited to, the proper scope and application of the provisions of this subtitle to the liquidation as well as all interpretation and enforceability of all contracts of insurance to which the insurer is a party.*

Section 12. KRS 304.33-200 is amended to read as follows:

(1) Order to liquidate. An order to liquidate the business of a domestic insurer shall appoint the commissioner and his successors in office liquidator and shall direct the liquidator forthwith to take possession of the assets of the insurer and to administer them under the orders of the court. The liquidator shall be vested by operation of law with the title to all of the property, contracts and rights of action and all of the books and records of the insurer ordered liquidated, wherever located, as of the date of the filing of the petition for liquidation. He may recover and reduce the same to possession except that ancillary receivers in reciprocal states shall have, as to assets located in their respective states, the rights and powers which are prescribed in subsection (3) of KRS 304.33-540 for ancillary receivers appointed in this state as to assets located in this state. The filing or recording of the order with any county clerk in this state imparts the same notice as a deed, bill of sale or other evidence of title duly filed or recorded with that county clerk.

(2) Fixing of rights.

(a) Upon issuance of the order, the rights and liabilities of any such insurer and of its creditors, policyholders, shareholders, members and all other persons interested in its estate are fixed as of the date of filing of the petition for liquidation, except as provided in KRS 304.33-210 and 304.33-380.

(b) *Entry of an order of liquidation shall not constitute an anticipatory breach of any contracts of the insurer, and it shall not be grounds for rescission, revocation, or cancellation of any contracts of the insurer in force as of the date of liquidation, except as provided in KRS 304.33-210.*

(3) Alien insurer. An order to liquidate the business of an alien insurer domiciled in this state shall be in the same terms and have the same legal effect as an order to liquidate a domestic insurer, except that the assets and the business in the United States shall be the only assets and business included under the order.

(4) Declaration of insolvency. At the time of petitioning for an order of liquidation, or at any time thereafter, the commissioner may petition the court to declare the insurer insolvent, and after such notice and hearing as it deems proper, the court may make the declaration.

Section 13. KRS 304.33-240 is amended to read as follows:

The liquidator shall report to the court monthly, or at other intervals specified by the court, on the progress of the liquidation in whatever detail the court orders. *The liquidator* [~~Subject to the court's control, he~~] may:

(1) Appoint a special deputy to act for him under this subtitle, and, *subject to the court's approval*, determine his compensation. The special deputy shall have all powers of the liquidator granted by this section. The special deputy shall serve at the pleasure of the liquidator.

(2) Appoint or engage employees and agents, legal counsel, actuaries, accountants, appraisers, consultants, and other personnel he deems necessary to assist in the liquidation.

(3) Fix the compensation of persons under subsection (2) of this section, subject to the *approval* [~~control~~] of the court.

(4) Defray all expenses of taking possession of, conserving, conducting, liquidating, disposing of or otherwise dealing with the business and property of the insurer. If the property of the insurer does not contain sufficient cash or liquid assets to defray the costs incurred, the liquidator may advance the costs so incurred out of any available appropriation. Any amounts so paid shall be deemed expense of administration and shall be repaid for the credit of the insurance department out of the first available moneys of the insurer.

(5) Hold hearings, subpoena witnesses and compel their attendance, administer oaths, examine any person under oath and compel any person to subscribe to his testimony after it has been correctly reduced to writing, and in connection therewith require the production of any books, papers, record or other documents which he deems relevant to the inquiry.

(6) *Audit the books and records of all agents of the insurer insofar as these records relate to the business activities of the insurer.*

(7) Collect all debts and moneys due and claims belonging to the insurer, wherever located, and for this purpose institute timely action in other jurisdictions[; ~~in order~~] to *marshal the assets of the insurer*, forestall garnishment and attachment proceedings against such debts; do such other acts as are necessary or expedient to collect, conserve or protect its assets or property, including sell, compound, compromise or assign for purposes of collection, *subject to court approval* and upon such terms and conditions as he deems best, any *disputed claims* [~~bad or doubtful debts~~]; and pursue any creditor's remedies available to enforce his claims.

(8)[(7)] Conduct public and private sales of the property of the insurer in a manner prescribed by the court.

(9)[(8)] Use assets of the estate to transfer policy obligations to a solvent assuming insurer, if the transfer can be arranged without prejudice to applicable priorities under KRS 304.33-430.

(10)[(9)] Acquire, hypothecate, encumber, lease, improve, sell, transfer, abandon, or otherwise dispose of or deal with any property of the insurer at its market value or upon such terms and conditions as are fair and reasonable, except that no transaction involving property the market value of which exceeds \$10,000 shall be concluded without express permission of the court. He also may execute, acknowledge and deliver any deeds, assignments, releases and other instruments necessary or proper to effectuate any sale of property or other transaction in connection with the liquidation. In cases where real property sold by the liquidator is located other than in the county where the liquidation is pending, the liquidator shall cause to be filed with the county clerk for the county in which the property is located a certified copy of the order appointing him.

(11)[(10)] Borrow money, *subject to court approval*, on the security of the insurer's assets or without security and execute and deliver all documents necessary to that transaction for the purpose of facilitating the liquidation.

(12)[(11)] *Subject to court approval*, enter into such contracts as are necessary to carry out the order to liquidate, and affirm or disavow any contracts to which the insurer is a party.

(13)[(12)] Continue to prosecute and institute in the name of the insurer or in his own name any suits and other legal proceedings, in this state or elsewhere, and abandon the prosecution of claims he deems unprofitable to pursue further. If the insurer is dissolved under KRS 304.33-220, he may apply to any court in this state or elsewhere for leave to substitute himself for the insurer as plaintiff.

(14)[(13)] Prosecute any action which may exist in behalf of the creditors, members, policyholders or shareholders of the insurer against any officer of the insurer, or any other person.

(15)[(14)] Remove any records and property of the insurer to the offices of the commissioner or to such other place as is convenient for the purposes of efficient and orderly execution of the liquidation.

(16)[(15)] Deposit in one or more banks in this state such sums as are required for meeting current administration expenses and dividend distributions.

(17)[(16)] File any necessary documents for record in the office of any county clerk or record office in this state or elsewhere where property of the insurer is located.

(18)[(17)] Assert all defenses available to the insurer as against third persons, including statutes of limitations, statutes of frauds and the defense of usury. A waiver of any defense by the insurer after a petition for liquidation has been filed shall not bind the liquidator.

(19)[(18)] Exercise and enforce all the rights, remedies and powers of any creditor, shareholder, policyholder or member, including any power to avoid any transfer or lien that may be given by law and that is not included within KRS 304.33-290 to 304.33-310, inclusive.

(20)[(19)] Intervene in any proceeding wherever instituted that might lead to the appointment of a receiver or trustee, and act as the receiver or trustee whenever the appointment is offered.

(21)[(20)] Enter into agreements with any receiver or commissioner of any other state relating to the rehabilitation, liquidation, conservation or dissolution of an insurer doing business in both states.

(22)(21) Exercise all powers now held or hereafter conferred upon receivers by the laws of this state not inconsistent with this subtitle.

(23)(22) The enumeration in this section of the powers and authority of the liquidator is not a limitation upon him, nor does it exclude his right to do such other acts not herein specifically enumerated or otherwise provided for as are necessary or expedient for the accomplishment of or in aid of the purpose of liquidation.

SECTION 14. A NEW SECTION OF KRS 304.33-240 TO 304.33-250 IS CREATED TO READ AS FOLLOWS:

Creditors advisory committee:

(1) After entry of an order of liquidation under this subtitle, the liquidator may, if, in his sole discretion, he deems it to be in the best interest of the creditors of the insolvent insurer, appoint an advisory committee of creditors holding claims against the estate of the insurer. The committee shall consist of not less than three (3) creditors who are willing to serve on the committee on a voluntary basis.

(2) Subject to the liquidator's control, a committee appointed pursuant to this section may:

(a) Consult with the liquidator concerning the administration of the liquidation;

(b) Participate in the formulation of a plan for distribution of the assets of the estate, advise those represented by the committee of any proposed plans of distribution, and collect and file with the court all acceptances and rejections of any plan of distribution presented to the court for approval; and

(c) Perform such other services as the liquidator may request.

(3) As soon as practicable after the appointment of a committee pursuant to this section, the liquidator shall meet with the committee to transact such business as he may deem necessary and proper.

(4) A committee appointed pursuant to this section shall be subject to Section 8 of this Act.

Section 15. KRS 304.33-250 is amended to read as follows:

(1) (a) Notice required: General requirements. The liquidator shall give notice of the liquidation order as soon as possible by first-class mail and either by telegram or telephone to the insurance commissioner of each jurisdiction in which the insurer is licensed to do business, by first-class mail and by telephone to the labor cabinet of this state if the insurer is or has been an insurer of workers' compensation, by first-class mail [~~within this state and by airmail outside this state~~] to all insurance agents having a duty under KRS 304.33-260, and by first-class mail [~~within this state and by airmail outside this state~~] at the last known address to all persons known or reasonably expected to have claims against the insurer, including all policyholders. He also shall publish a notice, under KRS Chapter 424, in a newspaper of general circulation in the county in which the liquidation is pending and in Franklin County, the last publication to be not less than three (3) months before the earliest deadline specified in the notice under subsection (2) of this section;

(b) Special requirements. Notice to agents shall inform them of their duties under KRS 304.33-260 and inform them what information they must communicate to insureds. Notice to policyholders shall include notice of impairment and termination of coverage under KRS 304.33-210. When it is applicable, notice to policyholders shall include:

1. Notice of withdrawal of the insurer from the defense of any case in which the insured is interested; and

2. Notice of the right to file a claim under subsection (2) of KRS 304.33-390;

(c) Reports and further notice. Within fifteen (15) days of the date of entry of the order, the liquidator shall report to the court what notice has been given. The court may order such additional notice as it deems appropriate.

(2) Notice respecting claims filing. Notice to potential claimants under subsection (1) of this section shall require claimants to file with the court their claims together with proper proofs thereof under KRS 304.33-370, on or before a date the liquidator specifies in the notice, which shall be not less than six (6) months nor more than a reasonable time specified in the court's order, except that the liquidator need not require persons claiming unearned premium and persons claiming cash surrender values or other investment values in life insurance and annuities to file a claim. The liquidator may specify different dates for the filing of different kinds of claims.

(3) Notice conclusive. If notice is given in accordance with this section, *all persons to whom such notice is directed shall be bound by the terms and provisions of the liquidation order and all further orders and notices similarly served on them, and the distribution of the assets of the insurer under this subtitle shall be conclusive with respect to all claimants, whether or not they received notice.*

Section 16. KRS 304.33-260 is amended to read as follows:

(1) Written notice. Every person who receives notice in the form prescribed in KRS 304.33-250 that an insurer *for which he has acted as* ~~[which he represents as an independent]~~ agent is the subject of a liquidation order shall as soon as practicable give notice of the liquidation order. The notice shall be sent by first-class mail to the last address contained in the agent's records to each policyholder or other person named in any policy issued through the agent by the company, if he has a record of the address of the policyholder or other person. A policy shall be deemed issued through an agent if the agent has a property interest in the expiration of the policy; or if the agent has had in his possession a copy of the declarations of the policy at any time during the life of the policy, except where the ownership of the expiration of the policy has been transferred to another. The written notice shall include the name and address of the insurer, the name and address of the agent, identification of the policy impaired and the nature of the impairment under KRS 304.33-210. Notice by a general agent satisfies the notice requirement for any agents under contract to him.

(2) Oral notice. So far as practicable, every insurance agent subject to subsection (1) of this section shall give immediate oral notice, by telephone or otherwise, of the liquidation order to the same persons to whom he is obligated to give written notice. The oral notice shall include substantially the same information as the written notice.

(3) *Transfer of assets. Every agent subject to subsection (1) of this section shall, immediately upon receiving notice pursuant to KRS 304.33-250, and not later than thirty (30) days thereafter, transfer all assets of the insurer in possession of the agent as of the date of liquidation or any time thereafter to the liquidator. If there is any dispute as to whether assets which an agent is holding are properly assets of the insurer, the agent shall petition the court for an order determining the proper ownership thereof.*

Section 17. KRS 304.33-270 is amended to read as follows:

(1) Termination of actions against insurer by order appointing liquidator. Upon issuance of any order appointing the commissioner liquidator of a domestic insurer or of an alien insurer domiciled in this state, *no actions may be instituted against the insurer or the liquidator without approval of the court and all actions and all proceedings against the insurer whether in this state or elsewhere shall be abated and the liquidator shall not intervene in them, except as provided in this subsection.* Whenever in the liquidator's judgment an action in this state has proceeded to a point where fairness or convenience would be served by its continuation to judgment, he may apply to the court for leave to defend or to be substituted for the insurer, and if the court gives him leave, the action shall not be abated. Whenever in the liquidator's judgment, protection of the estate of the insurer necessitates intervention in an action against the insurer that is pending outside this state, with approval of the court he may intervene in the action. The liquidator may defend any action in which he intervenes under this section at the expense of the estate of the insurer.

(2) Statute of limitations on claims by insurer. The liquidator may, within two (2) years subsequent to the entry of an order for liquidation or within such further time as applicable law permits, institute an action or proceeding on behalf of the estate of the insurer upon any cause of action against which the period of limitation fixed by applicable law has not expired at the time of the filing of the petition upon which such order is entered. Where, by any agreement, a period of limitation is fixed for instituting a suit or proceeding upon any claim or for filing any claim, proof of loss, demand, notice or the like, or where in any proceeding, judicial or otherwise, a period of limitation is fixed, either in the proceeding or by applicable law, for taking any action, filing any claim or pleading or doing any act, and where in any such case the period had not expired at the date of the filing of the petition, the liquidator may, for the benefit of the estate, take any such action or do any such act, required of or permitted to the insurer, within a period

of sixty (60) days subsequent to the entry of an order for liquidation, or within such further period as is permitted by the agreement, or in the proceeding or by applicable law, or within such further period as is shown to the satisfaction of the court not to be unfairly prejudicial to the other party.

(3) Statutes of limitations on claims against insurer. The time between the filing of a petition for liquidation against an insurer and the denial of the petition shall not be considered to be a part of the time within which any action may be commenced against the insurer. Any action against the insurer that might have been commenced when the petition was filed may be commenced for at least sixty (60) days after the petition is denied.

Section 18. KRS 304.33-330 is amended to read as follows:

(1) Setoffs allowed in general.

(a) Mutual debt or mutual credits between the insurer and another person in connection with any action or proceeding under this subtitle shall be set off and the balance only shall be allowed or paid, except as provided in subsection (2) of this section.

(b) *As used herein, "mutual" means those debts or credits owed to or from identical parties acting in the same capacity.*

(2) Exceptions. No setoff or counterclaim shall be allowed in favor of any person where:

(a) The obligation of the insurer to the person would not at the date of the filing of a petition for liquidation entitle him to share as a claimant in the assets of the insurer;

(b) The obligation of the insurer to the person was purchased by or transferred to the person with a view to its being used as a setoff;

(c) The obligation of the person is to pay an assessment levied against the members or subscribers of the insurer, or is to pay a balance upon a subscription to the capital stock of the insurer, or is in any other way in the nature of a capital contribution; or

(d) The obligation of the person is to pay *earned* premiums[; ~~whether earned or unearned;~~] to the insurer.

SB 285. AN ACT relating to insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 304.45-010 is amended to read as follows:

The purpose of this subtitle is to regulate the formation or operation of risk retention groups and purchasing groups in the state formed pursuant to the provisions of the Product Liability Risk Retention Act of 1981 (P.L. 97-45) and the Liability Risk Retention Act of 1986 (P.L. 99-563), 15 U.S.C. sec. 3901 et seq., to the extent permitted by such laws, for the protection of the public [and operation in this state of risk retention groups formed pursuant to the Product Liability Risk Retention Act of 1981 (Public Law 97-45), 15 U.S.C. sec. 3901 et seq. and to protect the public by appropriate regulation of these risk retention groups].

Section 2. KRS 304.45-020 is amended to read as follows:

As used in this subtitle:

(1) "Commissioner" means the commissioner of the Kentucky department of insurance or the insurance supervisory of another state;

(2) "Completed operations liability" means liability arising out of the installation, maintenance, or repair of any product at a site which is not owned or controlled by:

(a) *Any person who performs that work; or*

(b) *Any person who hires an independent contractor to perform that work, but shall include liability for activities which are completed or abandoned before the date of the occurrence giving rise to the liability;*

(3) *"Domicile," for the purposes of determining the state in which a purchasing group is domiciled, means:*

(a) *For a corporation, the state in which the purchasing group is incorporated; and*

(b) *For an unincorporated entity, the state of its principal place of business;*

(4) *"Hazardous financial condition" means a condition in which, based on its present or reasonably anticipated financial condition, a risk retention group, although not yet financially impaired or insolvent, is unlikely to be able:*

(a) *To meet obligations to policyholders with respect to known claims and reasonably anticipated claims;*
or

(b) *To pay other obligations in the normal course of business;*

(5) *"Insurance" means primary insurance, excess insurance, reinsurance, surplus lines insurance, and any other arrangement for shifting and distributing risks which is determined to be insurance under the laws of this state;*

(6) *"Liability":*

(a) *Means legal liability for damages (including costs of defense, legal costs and fees, and other claims expenses) because of injuries to other persons, damage to their property, or other damage or loss to such other persons resulting from or arising out of:*

1. *Any business (whether profit or nonprofit), trade, product, services (including professional services), premises, or operations; or*

2. *Any activity of any state or local government, or any agency or political subdivision thereof; and*

(b) *Does not include personal risk liability or an employer's liability with respect to its employees other than legal liability under the federal Employers' Liability Act (45 U.S. sec. 51 et seq.);*

(7) *"Personal risk liability" means liability for damages because of injury to any person, damage to property, or other loss or damage arising from any personal, familial, or household responsibilities or activities, rather than from responsibilities or activities referred to in subsection (6) of this section;*

(8) *"Plan of operation or a feasibility study" means an analysis which presents the expected activities and results of a risk retention group, including, at a minimum:*

(a) *Information sufficient to verify that its members are engaged in businesses or activities similar or related with respect to the liability to which such members are exposed by virtue of any related, similar, or common business, trade, product, services, premises, or operations;*

(b) *For each state in which it intends to operate, the coverages, deductibles, coverage limits, rates, and rating classification system for each kind of insurance the group intends to offer;*

(c) *Historical and expected loss experience of the proposed members and national experience of similar exposures to the extent that this experience is reasonably available;*

(d) *Pro forma financial statements and projections;*

(e) Appropriate opinions by a qualified, independent casualty actuary, including a determination of minimum premium or participation levels required to commence operations and to prevent a hazardous financial condition;

(f) Identification of management, underwriting and claim procedures, marketing methods, managerial oversight methods, and investment policies; and

(g) Such other matters as may be prescribed by the commissioner for liability insurance companies authorized by the insurance laws of the state in which the risk retention group is chartered;

(9) "Product liability" means liability for damages because of any personal injury, death, emotional harm, consequential economic damage, or property damage (including damages resulting from the loss of use of property) arising out of the manufacture, design, importation, distribution, packaging, labeling, lease, or sale of a product, but does not include the liability of any person for those damages if the product involved was in the possession of such person when the incident giving rise to the claim occurred;

(10) "Purchasing group" means any group which:

(a) Has as one (1) of its purposes the purchase of liability insurance on a group basis;

(b) Purchases such insurance only for its group members and only to cover their similar or related liability exposure, as described in paragraph (c) of this subsection;

(c) Is composed of members whose businesses or activities are similar or related with respect to the liability to which members are exposed by virtue of any related, similar, or common business, trade, product, services, premises, or operations; and

(d) Is domiciled in any state;

(11) "Risk retention group" means any corporation or other limited liability association;

(a) Whose primary activity consists of assuming and spreading all, or any portion, of the liability exposure of its group members;

(b) Which is organized for the primary purpose of conducting the activity described under paragraph (a) of this subsection;

(c) Which:

1. Is chartered and licensed as a liability insurance company and authorized to engage in the business of insurance under the laws of any state; or

2. Before January 1, 1985, was chartered or licensed and authorized to engage in the business of insurance under the laws of Bermuda or the Cayman Islands and, before such date, had certified to the commissioner of at least one (1) state that it satisfied the capitalization requirements of such state, except that any such group shall be considered to be a risk retention group only if it has engaged in business continuously since such date and only for the purpose of continuing to provide insurance to cover product liability or completed operations liability (as such terms were defined under the Product Liability Risk Retention Act of 1981 prior to the date of the enactment of the Liability Risk Retention Act of 1986);

(d) Which does not exclude any person from membership in the group solely to provide for members of such group a competitive advantage over such person;

(e) Which:

1. Has as its owners only persons who comprise the membership of the risk retention group and who are provided insurance by such group; or

2. *Has as its sole owner an organization which has as its members only persons who comprise the membership of the risk retention group and as its owners only persons who comprise the membership of the risk retention group and who are provided insurance by such group;*

(f) *Whose members are engaged in businesses or activities similar or related with respect to the liability to which such members are exposed by virtue of any related, similar, or common business, trade, product, services, premises, or operations; and*

(g) *Whose activities do not include the provision of insurance other than:*

1. *Liability insurance for assuming and spreading all or any portion of the liability of its group members; and*

2. *Reinsurance with respect to the liability of any other risk retention group or any members of such other group which is engaged in businesses or activities so that such group or member meets the requirement described in paragraph (f) of this subsection from membership in the risk retention group and which provides such reinsurance; and*

(h) *The name of which includes the phrase "risk retention group;"*

(1.2) *"State" means any state of the United States or the District of Columbia.*

[4] *"Completed operations liability" means liability arising out of the installation, maintenance, or repair of any product at a site which is not owned or controlled by:*

(a) *Any person who performs that work; or*

(b) *Any person who hires an independent contractor to perform that work;*

but shall include liability for activities which are completed or abandoned before the date of the occurrence giving rise to the liability;

(2) *"Insurance" means primary insurance, excess insurance, reinsurance, surplus lines insurance, and any other arrangement for shifting and distributing risk which is determined to be insurance under the laws of this state;*

(3) *"Product liability" means liability for damages because of any personal injury, death, emotional harm, consequential economic damage, or property damage (including damages resulting from the loss of use of property) arising out of the manufacture, design, importation, distribution, packaging, labeling, lease, or sale of a product, but does not include the liability of any person for those damages if the product involved was in the possession of such a person when the incident giving rise to the claim occurred;*

(4) *"Risk retention group" means any corporation or other limited liability association taxable as a corporation or as an insurance company formed pursuant to this subtitle:*

(a) *Which is organized for the primary purpose of assuming and spreading the product liability or completed operations liability risk exposure of its members;*

(b) *Whose primary activity consists of assuming and spreading all, or any portion, of the product liability or completed operations liability risk exposure of its group members; and*

(c) *Which is composed of members each of whose principal activity consists of the manufacture, design, importation, distribution, packaging, labeling, lease, or sale of a product or products;*

(5) *"Service providers" means any person providing insurance-related services or management services to, or for, a risk retention group, including, but not limited to, agents, claims appraisers and adjusters, insurers, actuaries, and insurance consultants;]*

Section 3. KRS 304.45-030 is amended to read as follows:

(1) *A risk retention group shall, pursuant to the provisions of this chapter, be chartered and licensed to write only liability insurance pursuant to this subtitle, and, except as provided elsewhere in this subtitle, shall comply with all of the laws, regulations, and requirements applicable to such insurers chartered and licensed in this state and with KRS 304.45-040 to the extent such requirements are not a limitation on laws, regulations, or requirements of this state.*

(2) *Before it may offer insurance in any state, each risk retention group shall also submit for approval to the commissioner of this state a plan of operation or a feasibility study and revisions of such plan or study if the group intends to offer any additional kinds of liability insurance. The group shall not offer any additional kinds of liability insurance in this state or any other state until a revision of such plan or study is approved by the commissioner.*

(3) *At the time of filing its application for charter, the risk retention group shall provide to the commissioner in summary form the identity of the initial members of the group, the identity of those individuals who organized the group or who will provide administrative services or otherwise influence or control the activities of the group, the amount and nature of initial capitalization, the coverages to be afforded, and the states in which the group intends to operate. Upon receipt of the information, the commissioner shall forward such information to the national association of insurance commissioners. Providing notification to the national association of insurance commissioners is in addition to and shall not be sufficient to satisfy the requirements of Section 4 of this Act and all other sections of this subtitle.*

(4) *A risk retention group chartered and licensed in this state as a product liability risk retention group under the provisions of KRS Chapter 304 in effect prior to the effective date of this Act may continue to act as such without complying with this subtitle as long as it complies with the provisions of KRS Chapter 304 in effect prior to the effective date of this Act. The exception provided in this subsection shall cease to apply to any product liability risk retention group which offers any other kind of liability insurance other than product liability or completed operations liability insurance.*

[A risk retention group seeking to be chartered in this state must be chartered and authorized as an insurance company under the insurance laws of this state and, except as provided elsewhere in this subtitle, must comply with all laws, regulations, and requirements applicable to such insurers chartered and authorized in this state.]

Section 4. KRS 304.45-040 is amended to read as follows:

Risk retention groups chartered and licensed in states other than this state and seeking to do business as a risk retention group in this state shall observe and abide by the laws of this state as follows:

(1) *Before offering insurance in this state, a risk retention group shall submit to the commissioner:*

(a) *A statement identifying the state or states in which the risk retention group is chartered and licensed as a liability insurance company, date of chartering and licensing, its principal place of business, and such other information, including information on its membership, as the commissioner of this state may require to verify that the risk retention group is qualified under subsection (11) of Section 2 of this Act;*

(b) *A copy of its plan of operations or a feasibility study and revisions of such plan or study submitted to its state of domicile, but the provision relating to the submission of a plan of operation or a feasibility study shall not apply as to any kind or classification of liability insurance which was defined in the Product Liability Risk Retention Act of 1981 before October 27, 1986, and was offered before such date by any risk retention group which had been chartered and operating for not less than three (3) years before such date; and*

(c) *A statement of registration which designates the secretary of state as its agent for the purpose of receiving service of legal documents or process.*

(2) *Any risk retention group doing business in this state shall submit to the commissioner:*

(a) *A copy of the group's financial statement submitted to the state in which the risk retention group is chartered and licensed, which shall be certified by an independent public accountant and contain a statement*

of opinion on loss and loss adjustment expense reserves made by a member of the American academy of actuaries or a qualified loss reserve specialist (under criteria established by the national association of insurance commissioners);

(b) A copy of each financial, market conduct, or other examination of the risk retention group as certified by the commissioner or public official conducting the examination;

(c) Upon request by the commissioner, a copy of any audit performed with respect to the risk retention group; and

(d) Such information as may be required to verify its continuing qualification as a risk retention group under subsection (11) of Section 2 of this Act.

(3) Any risk retention group shall submit to an examination by the commissioner to determine its financial condition if the commissioner of the jurisdiction in which the group is chartered and licensed has not initiated an examination or does not initiate an examination within sixty (60) days after a request by the commissioner of this state. Any such examination shall be coordinated to avoid unjustified repetition and conducted in an expeditious manner and in accordance with the national association of insurance commissioners' examiner handbook. Such examinations shall be conducted in accordance with KRS 304.2-210 to 304.2-300.

(4) Any policy issued by a risk retention group shall contain in ten (10) point boldface type the following legend:

NOTICE

**THIS POLICY IS ISSUED BY YOUR RISK RETENTION
GROUP. YOUR RISK RETENTION GROUP MAY NOT BE
SUBJECT TO ALL OF THE INSURANCE LAWS AND
REGULATIONS OF YOUR STATE. STATE INSURANCE
INSOLVENCY GUARANTY FUNDS ARE NOT AVAILABLE
FOR YOUR RISK RETENTION GROUP.**

(5) In the solicitation or sale of insurance, a risk retention group shall not:

(a) Solicit or sell insurance to any person who is not eligible for membership in such group; and

(b) Solicit or sell insurance issued by, or otherwise operate, a risk retention group that is in a hazardous financial condition or is financially impaired.

(6) No risk retention group shall be allowed to do business in this state if an insurance company is directly or indirectly a member or owner of such risk retention group, except if all members of the risk retention group are insurance companies.

(7) A risk retention group shall not offer insurance policy coverage prohibited by statute or regulation or declared unlawful by the highest court of this state.

(8) A risk retention group not chartered in this state and doing business in this state shall comply with a lawful order issued in a voluntary dissolution proceeding or in a delinquency proceeding commenced by a commissioner if there has been a finding of financial impairment after an examination under subsection (3) of this section.

(9) A risk retention group registered in this state as a product liability risk retention group under the

provisions of KRS Chapter 304 in effect prior to the effective date of this Act may continue to act as such without complying with this subtitle as long as it complies with the provisions of KRS Chapter 304 in effect prior to the effective date of this Act. The exception provided in this subsection shall cease to apply to any product liability risk retention group which offers kinds of liability insurance other than product liability or completed operations liability insurance.

[(1) Risk retention groups chartered in states other than this state, Bermuda, or the Cayman Islands and seeking to do business as a risk retention group in this state must:

(a) Register with the commissioner in this state;

(b) Designate the secretary of state as its agent for service of process and receipt of legal documents;

(c) No later than March 1st of each year, file with the commissioner of this state its annual statement as filed with the commissioner in the chartering state or the public official having supervision of insurance in the chartering jurisdiction;

(d) File a copy of the last examination, if any, made of the risk retention group, certified by the commissioner of the chartering state or the public official having supervision of insurance in the chartering jurisdiction; and

(e) File with the commissioner, on the date specified by the commissioner, the product liability loss experience data report required by the commissioner pursuant to KRS 304.3-240;

(2) Risk retention groups chartered in Bermuda or the Cayman Islands, in addition to the requirements of subsection (1) of this section, must:

(a) Be chartered or licensed and authorized to do business under the laws of Bermuda or the Cayman Islands before January 1, 1985;

(b) File with the commissioner of this state a copy of the certification filed with the commissioner of at least one (1) state that the risk retention group satisfies the capitalization requirements of that state, together with evidence that such certification has been accepted by the commissioner of that state as meeting the requirements of that state; and

(c) File, with the commissioner of the state in which it certifies its capitalization, a waiver of any secrecy laws of the jurisdiction in which it is chartered;]

Section 5. KRS 304.45-050 is amended to read as follows:

Any purchasing group meeting the criteria established under the provisions of the Liability Risk Retention Act, 15 U.S.C. Section 3901 et seq., shall be exempt from any law of this state relating to the creation of groups for the purchase of insurance, the countersignature requirement as provided in KRS 304.3-250, prohibition of group purchasing of insurance, or any law that would discriminate against a purchasing group or its members. In addition, an insurer shall be exempt from any law of this state which prohibits providing, or offering to provide, to a purchasing group or its members advantages based on their loss and expense experience not afforded to other persons with respect to rates, policy forms, coverages, or other matters. A purchasing group shall be subject to all other applicable laws of this state.

[(1) (a) Any person who is a resident of this state acting or offering to act as an agent as defined in KRS 304.9-020, for a risk retention group or any of its members in this state must obtain a license as an agent in accordance with subtitle 9 of this chapter;

(b) An agent duly licensed by another state and residing outside of this state may act as an agent for a risk retention group operating in this state or any of its members in this state in the same manner as a resident agent or broker upon obtaining a license in accordance with subtitle 9 of this chapter. The restrictions of KRS 304.9-140 on nonresident general lines insurance agents do not apply to nonresident agents for risk retention groups; and

(c) Any agent licensed in accordance with paragraph (a) or (b) of this subsection may be required by the commissioner to report to the commissioner the activities and scope of services they are providing to the risk retention group.

(2) Before placing business with a risk retention group, each agent shall secure from the appropriate insurance regulatory authority a certified copy of the certificate of authority verifying that such insurer is authorized in its domiciliary jurisdiction to write the product liability or completed operations liability insurance policy proposed to be procured from it by the agent.

(3) Every policy or contract of insurance placed by an agent with a risk retention group chartered or authorized in this state shall bear across its face in not less than 10-point boldface red-type the following legend:

~~"THE INSURANCE HEREBY EVIDENCED IS WRITTEN
BY A RISK RETENTION GROUP LICENSED BY THE
COMMONWEALTH OF KENTUCKY BUT IN THE EVENT
OF THE INSOLVENCY OF THIS RISK RETENTION
GROUP, IS NOT PROTECTED BY THE KENTUCKY
INSURANCE GUARANTY ASSOCIATION."~~

(4) Every policy or contract of insurance placed by an agent with a risk retention group not chartered or authorized in this state shall bear across its face in not less than 10-point boldface red-type the following legend:

~~"THE INSURANCE HEREBY EVIDENCED IS WRITTEN
BY A RISK RETENTION GROUP NOT LICENSED BY THE
COMMONWEALTH OF KENTUCKY, NOT SUBJECT TO
ITS SUPERVISION, AND NOT PROTECTED IN THE
EVENT OF INSOLVENCY OF THIS RISK RETENTION
GROUP BY THE KENTUCKY INSURANCE
GUARANTY ASSOCIATION."~~

Section 6. KRS 304.45-060 is amended to read as follows:

(1) *A purchasing group which intends to do business in this state shall prior to doing business furnish notice to the commissioner which shall:*

- (a) Identify the state in which the purchasing group is domiciled;*
- (b) Specify the kinds and classification of liability insurance which the purchasing group intends to purchase;*
- (c) Identify the insurance company or companies from which the purchasing group intends to purchase its insurance and the domicile or domiciles of such insurance company or insurance companies;*
- (d) Specify the method by which and the person or persons, if any, through whom insurance will be offered to its members whose risks are resident or located in this state;*

(e) *Identify the principal place of business of the purchasing group; and*

(f) *Provide such other information as may be required by the commissioner to verify that the purchasing group is qualified under KRS 304.45-020(10) and is otherwise in compliance with the laws of this state.*

(2) *The purchasing group shall register with and designate the secretary of state as its agent solely for the purpose of receiving legal documents or process, except that such requirement shall not apply in the case of a purchasing group:*

(a) *Which in any state of the United States:*

1. *Was domiciled before April 1, 1986; and*
2. *Is domiciled on and after October 27, 1986;*

(b) *Which:*

1. *Before October 27, 1986, purchased insurance from an insurer licensed in any state; and*
2. *Since October 27, 1986, purchased its insurance from an insurer licensed in any state;*

(c) *Which was a purchasing group under the requirements of the Product Liability Risk Retention Act of 1981 (P.L. 97-45) before October 27, 1986; and*

(d) *Which does not purchase insurance that was not authorized for purposes of an exemption under that act, as in effect before October 27, 1986.*

(3) *Any purchasing group which was doing business in this state prior to the effective date of this Act shall, within thirty (30) days after the effective date of this Act, furnish notice to the commissioner pursuant to the provisions of this subtitle and furnish the information required pursuant to this subtitle.*

[~~(1) Service providers who are not licensed agents must:~~

(a) Register with the commissioner; and

(b) Upon request by the commissioner, report the activities and scope of services which they are providing to the risk retention group.

(2) This section shall not be interpreted to allow service providers whose activities otherwise require licensing in this state to act on behalf of risk retention groups without such a license.]

Section 7. KRS 304.45-070 is amended to read as follows:

(1) *A risk retention group:*

(a) *Shall not be required or permitted to join or contribute financially to any insurance insolvency guaranty fund or similar mechanism in this state, nor shall any risk retention group, its insureds, or claimants against its insureds receive any benefit from any such fund for claims arising under insurance policies issued by such risk retention group; and*

(b) *Shall participate in this state's joint underwriting associations and mandatory liability pools as provided by this chapter.*

(2) *A purchasing group:*

(a) *Which obtains insurance covering its members' risks from an authorized insurer shall have Kentucky insurance guaranty association coverage only for risks resident or located in this state;*

(b) Which obtains insurance covering its members' risks from an insurer not authorized in this state or a risk retention group shall not have any Kentucky insurance guaranty association coverage for such risks, wherever resident or located;

(c) Shall not purchase insurance from a risk retention group that is not chartered in a state or from an insurer not admitted in the state in which the purchasing group is located, unless the purchase is effected through a person holding the appropriate license pursuant to the insurance agent, insurance broker, or surplus lines laws and regulations of such state;

(d) Shall not offer insurance policy coverage prohibited by statute or regulation or declared unlawful by the highest court of this state;

(e) Shall not purchase insurance providing for a deductible or self-insured retention applicable to the group as a whole, but may provide for a deductible or self-insured retention applicable to individual members; and

(f) Is subject to the same standards regarding aggregate limits which are applicable to all purchases of group insurance.

[(1) All risk retention groups shall be subject to taxation and shall be deemed to be insurers for the purpose of assessing and collecting taxes in accordance with the provisions of KRS 91A.080, 136.340, 136.350, 136.392, 304.10-180, and 304.11-050, as applicable.

(2) Agents shall cooperate in the reporting and payment of taxes upon premiums for risks which they have placed with or on behalf of a risk retention group not chartered in this state.

(3) Failure of risk retention groups and agents to pay taxes in accordance with this section or to cooperate in accordance with this section is a ground for suspension or revocation of certificates of authority, licenses, or permission to do business in this state; imposition of civil penalties; or both.]

Section 8. KRS 304.45-080 is amended to read as follows: .

(1) All risk retention groups and insurers providing liability insurance to purchasing groups shall be subject to taxation and shall be deemed to be insurers for the purpose of assessing and collecting taxes on premiums. All risk retention groups and insurers issuing liability insurance policies to purchasing groups shall be subject to the taxes set forth in KRS 91A.080 and 136.340 and the surcharge imposed by KRS 136.392.

(2) All persons involved in the solicitation, negotiation, or procurement of liability insurance from a risk retention group or from an insurer issuing a liability insurance group to a purchasing group shall cooperate in the reporting and payment of taxes on premiums for risks located in this state.

(3) Failure of risk retention groups, insurers issuing liability insurance policies to purchasing groups, and any person involved in the solicitation, negotiation, or procurement of liability insurance from a risk retention group or from an insurer issuing a liability insurance policy to a purchasing group to pay taxes in accordance with this section or to cooperate in accordance with this section is a ground for suspension or revocation of certificates of authority, licenses, or permission to do business in this state, imposition of civil penalties, or both. The commissioner may take any action necessary to assure that applicable premium taxes are paid to the appropriate taxing authorities.

[A risk retention group shall not:

(1) Insure any risks other than those of its member companies;

(2) Provide any insurance or insurance-related service other than for product liability or completed operations liability unless it obtains the appropriate certificates of authority or licenses in this state and becomes subject to all the laws and regulations of this state with respect to those additional lines of insurance and related services; or

(3) Exclude any person from membership in the group solely to provide for members of such a group a competitive advantage over such person.]

Section 9. KRS 304.45-110 is amended to read as follows:

(1) A risk retention group doing business in this state shall be subject to all applicable unfair claims settlement practices laws and regulations as provided in KRS 304.3-200, 304.12-220, and 304.12-230.

(2) *The commissioner is authorized to make use of any of the powers established under the insurance statutes and regulations of this state to enforce the laws of this state so long as those powers are not specifically preempted by the Product Liability Risk Retention Act of 1981 (P.L. 97-45) and the Liability Risk Retention Act of 1986 (P.L. 99-563), 15 U.S.C. Section 3901 et seq. This includes, but is not limited to, the commissioner's administrative authority to investigate, issue subpoenas, conduct depositions and hearings, issue orders, and impose penalties. Without regard to any investigation, administrative proceedings, or litigation, the commissioner can rely on the procedural law and regulations of the state. The injunctive authority of the commissioner in regard to risk retention groups is restricted by the requirement that any injunction be issued by a court of competent jurisdiction.*

Section 10. KRS 304.45-120 is amended to read as follows:

Any order issued by any United States district court enjoining a risk retention group from soliciting or selling insurance or operating in any state, in all states, or any territory or possession of the United States upon a finding that such group is in a hazardous financial condition shall be enforceable in the courts of this state.

~~[(1) A risk retention group chartered in this state must submit to examinations as deemed necessary by the commissioner to determine its financial condition:~~

~~(2) A risk retention group not chartered in this state, and doing business in this state, must submit to an examination if:~~

~~(a) The commissioner has reason to believe the risk retention group is in a financially impaired condition; and~~

~~(b) The commissioner of the state or the public official having supervision over insurance in the jurisdiction in which the risk retention group is chartered has not begun or has refused to initiate an examination of the risk retention group.~~

~~(3) Such examination shall be conducted in accordance with KRS 304.2-210 to 304.2-300.]~~

Section 11. KRS 304.45-130 is amended to read as follows:

(1) No person shall act or aid in any manner in soliciting, negotiating, or procuring liability insurance in this state from a risk retention group unless such person is licensed as an insurance agent in accordance with subtitle 9 of this chapter.

(a) However, no such license shall be required of salaried employees of a risk retention group not compensated based on the volume of business.

(b) A risk retention group is responsible for the acts of its agents or other persons acting on its behalf in the solicitation, negotiation, or procurement of liability insurance or the acceptance of premiums for liability insurance.

(2) No person shall act or aid in any manner in soliciting, negotiating, or procuring liability insurance in this state for a purchasing group from an authorized insurer, risk retention group chartered in a state, or a surplus lines insurer eligible to do business in this state unless such person is licensed as insurance agent or surplus lines broker in accordance with subtitles 9 and 10 of this chapter.

(3) No person shall act or aid in any manner in soliciting, negotiating, or procuring liability insurance coverage in this state for any member of a purchasing group under a purchasing group's liability insurance policy unless such person is licensed as an insurance agent in accordance with subtitle 9 of this chapter.

(a) No license shall be required of salaried employees of an insurer or of a purchasing group who are

not compensated based on the volume of business.

(b) An insurer issuing a liability insurance policy to a purchasing group is responsible for the acts of its agents or other persons acting on its behalf in the solicitation, negotiation, or procurement of liability insurance or the acceptance of premiums for liability insurance.

[(1) A risk retention group chartered and authorized in this state must comply with all lawful orders issued in a delinquency proceeding commenced by the commissioner.

[(2) A risk retention group not chartered in this state and doing business in this state must comply with a lawful order issued in a delinquency proceeding commenced by the commissioner if the commissioner of the state or the public official having supervision over insurance in the jurisdiction in which the risk retention group is chartered has failed to initiate such a proceeding after notice of a finding of financial impairment under KRS 304.45-120.]

Section 12. KRS 304.99-150 is amended to read as follows:

(1) Any person acting pursuant to subtitle 45 of this chapter who violates any applicable provision of this chapter or other applicable insurance laws shall be subject to suspension or revocation of licenses, certificates of authority, or permission to do business in this state, imposition of civil penalties of up to ten thousand dollars (\$10,000) per violation, or both. The penalties prescribed in this subsection may be imposed through administrative proceedings in the department of insurance, an action, or such other proceedings specified by law. Any civil penalty not paid may be recovered in an action brought thereon in the name of the Commonwealth of Kentucky in any court of appropriate jurisdiction. [A risk retention group doing business in this state which violates any applicable provision of subtitle 45 of this chapter will be subject to the penalties applicable to authorize insurers generally, including suspension or revocation of its certificate of authority or the right to do business in this state, imposition of civil penalties, or both.]

(2) This subtitle applies to subtitle 45 of this chapter.

Section 13. KRS 304.45-090, Guaranty fund contributions and benefits prohibited, is repealed.

SB 305, AN ACT relating to the Kentucky housing corporation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 198A.010 is amended to read as follows:

The following words and terms, unless the context clearly indicates a different meaning, shall have the following respective meanings:

(1) "Bonds" or "notes" means the bonds or bond anticipation notes authorized to be issued by the corporation under this chapter but shall not include any fund notes;

(2) "Commonwealth" means the Commonwealth of Kentucky;

(3) "Corporation" means the Kentucky housing corporation created by this chapter;

(4) "Sponsors" means persons, corporations, associations, partnerships or other entities, consumer housing cooperatives and limited dividend housing corporations, associations, partnerships or other entities organized pursuant to the Kentucky Revised Statutes for the primary purpose of providing housing to persons and families of lower and moderate income, and shall include without limitation, organizations engaged in the production, origination and development of residential housing units intended to qualify for financial assistance pursuant to Section 8 of the United States Housing Act of 1937, as amended;

(5) "Development costs" means the costs approved by the corporation as appropriate expenditures and credits which may be incurred by sponsors of residential housing, prior to commitment and initial advance of the proceeds of a construction loan or of a mortgage loan, including but not limited to:

(a) Payments for options to purchase properties on the proposed residential housing site, deposits on contracts of purchase, or, with prior approval of the corporation, payments for the purchase of such properties;

(b) Legal and organizational expenses, including payments of attorney's fees, project manager, clerical and other staff salaries, office rent and other incidental expenses;

(c) Payment of fees for preliminary feasibility studies and advances for planning, engineering and architectural work;

(d) Expenses for tenant surveys and market analyses;

(e) Necessary application and other fees; and

(f) Credits allowed by the corporation to recognize the value of service provided at no cost by the sponsors, builders and/or developers;

(6) "Fund notes" means the notes authorized to be issued by the corporation under the provisions of KRS 198A.080;

(7) "Governmental agency" means any city, county, or other political subdivision of the Commonwealth, the Commonwealth and any department, division or public agency thereof, the federal government or any political subdivision of any other state, any public housing authority or any nonprofit corporation or other entity legally empowered to act on behalf of any of the foregoing to perform the duties of a public housing authority, or any two (2) or more thereof;

(8) "Housing development fund" means the housing development fund created by KRS 198A.080;

(9) "Insured construction loan" means a construction loan for land development or residential housing which is secured by a mortgage either insured or guaranteed by or for which there is a commitment to insure or guarantee by:

(a) The United States of America or any agency or instrumentality thereof; or

(b) Any other entity which has been duly approved for the insuring of such loans by the United States of America or by the Commonwealth of Kentucky or any agency or instrumentality thereof;

(10) "Insured mortgage" or "insured mortgage loan" means a mortgage loan for land development for residential housing or for residential housing either made, insured or guaranteed by or for which there is a commitment to make, insure and guarantee by:

(a) The United States of America or any agency or instrumentality thereof; or

(b) Any other entity, including private mortgage insurance, which has been duly approved for the insuring of such loans by the United States of America or by the Commonwealth or any agency or instrumentality thereof and shall also refer to and mean any loan for residential housing not secured by mortgage which is insured or guaranteed to at least eighty-five percent (85%) of its principal amount by the United States of America or any agency or instrumentality thereof;

(11) "Land development" means the process of acquiring land primarily for residential housing construction for persons and families of lower and moderate income and making, installing or constructing nonresidential housing improvements, including water, sewer and other utilities, roads, streets, curbs, gutters, sidewalks, storm drainage facilities and other installations or works, whether on or off the site, which the corporation deems necessary or desirable to prepare such land primarily for residential housing construction;

(12) "Obligations" means any bonds, bond anticipation notes or fund notes authorized to be issued by the corporation under the provisions of this chapter;

(13) "Persons and families of lower and moderate income" shall include only those individuals whose

family income combined does not exceed an aggregate total of:

(a) Twenty-five thousand dollars (\$25,000) per year, for the fiscal year ending June 30, 1986; and for subsequent fiscal years ending June 30, *the amount set by this paragraph for the immediately preceding fiscal year, [twenty-five thousand dollars (\$25,000)]* increased to the nearest one hundred dollars (\$100) by the percentage increase, if any, in the annual average for all items of the consumer price index for all urban consumers (CPI-U) of the bureau of labor statistics of the United States department of labor for the preceding calendar year plus;

(b) Fifteen hundred dollars (\$1,500) for head of household status, if applicable; plus

(c) Fifteen hundred dollars (\$1,500) for each dependent living in the subject household; plus

(d) Twenty-five hundred dollars (\$2,500) if the residential housing is situated in an eastern Kentucky county as designated by the board of directors of the corporation;

(14) "Residential housing" means a specific work or improvement undertaken primarily to provide dwelling accommodations for persons and families of lower and moderate income, including the acquisition, construction or rehabilitation of land, buildings and improvements thereto, and such other non-housing facilities as may be incidental or appurtenant thereto; and

(15) "Tenant programs and services" means services and activities for persons and families living in residential housing, including the following:

(a) Counseling on household management, housekeeping, budgeting, and money management;

(b) Child care and similar matters;

(c) Access to available community services related to job training and placement, education, health, welfare, and other community services;

(d) Guard and other matters related to the physical security of the housing residents;

(e) Effective management-tenant relations, including tenant participation in all aspects of housing administration, management and maintenance;

(f) Physical improvements of the housing, including buildings, recreational and community facilities, safety measures, and removal of code violations;

(g) Advisory services for tenants in the creation of tenant organizations which will assume a meaningful and responsible role in the planning and carrying out of housing affairs; and

(h) Procedures whereby tenants, either individually or in a group, may be given a hearing on questions relating to management policies and practices, either in general or in relation to an individual or family.

SECTION 2. A NEW SECTION OF KRS CHAPTER 198A IS CREATED TO READ AS FOLLOWS:

(1) *The general assembly of the Commonwealth of Kentucky hereby finds and determines that in order to provide for the greatest possible participation by the corporation in programs by the United States of America, or an agency or instrumentality thereof, for the insurance or guarantee of mortgage loans for the construction or rehabilitation of multifamily residential housing projects, it is appropriate and proper that there be provision by which the maximum amounts of income for persons and families of lower and moderate income established by this chapter may be waived in certain circumstances so that the corporation may qualify for the aforesaid insurance or guarantee of mortgage loans.*

(2) *Notwithstanding the requirements of KRS 198A.010(13), 198A.060(1), or any other provisions of law to the contrary, the corporation may, by action of its board of directors, suspend or terminate any income-eligibility requirements established by this chapter upon written request of any agency or instrumentality of*

the United States of America which has insured or guaranteed mortgage loans made by the corporation for the construction or rehabilitation of a specific multifamily residential housing project upon a finding by the board of directors of the existence of one (1) or more of the following conditions with respect to that project:

(a) Serious rental or occupancy problems which threaten the financial stability of the project, defined as a project which cannot meet its debt service obligation from available rental income; or

(b) A default as to one (1) or more of the terms of the mortgage loan; or

(c) A foreclosure of the mortgage loan; or

(d) A conveyance of real estate by a deed in lieu of foreclosure.

SECTION 3. A NEW SECTION OF KRS CHAPTER 198A IS CREATED TO READ AS FOLLOWS:

Before the corporation provides financing for construction of multi-family housing of twelve (12) units or more, an ordinance must be enacted by the fiscal court, city or urban county government in whose territorial limits the construction is to occur.

SB 314, AN ACT relating to credit cards.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS 287.710 TO 287.770 IS CREATED TO READ AS FOLLOWS:

(1) As used in this section, "credit card guaranty" means an agreement pursuant to which a natural person assumes liability for indebtedness to a bank incurred by use of a credit card without receiving the contractual right to obtain extensions of credit under the account for which the credit card is issued.

(2) No credit card guaranty shall be valid or enforceable unless it is in writing signed by the guarantor and contains a provision specifying the amount of the maximum aggregate liability of the guarantor thereunder.

SECTION 2. A NEW SECTION OF KRS CHAPTER 289 IS CREATED TO READ AS FOLLOWS:

(1) As used in this section, "credit card guaranty" means an agreement pursuant to which a natural person assumes liability for indebtedness to a savings and loan association incurred by use of a credit card without receiving the contractual right to obtain extensions of credit under the account for which the credit card is issued.

(2) No credit card guaranty shall be valid or enforceable unless it is in writing signed by the guarantor and contains a provision specifying the amount of the maximum aggregate liability of the guarantor thereunder.

SECTION 3. A NEW SECTION OF KRS CHAPTER 290 IS CREATED TO READ AS FOLLOWS:

(1) As used in this section, "credit card guaranty" means an agreement pursuant to which a natural person assumes liability for indebtedness to a credit union incurred by use of a credit card without receiving the contractual right to obtain extensions of credit under the account for which the credit card is issued.

(2) No credit card guaranty shall be valid or enforceable unless it is in writing signed by the guarantor and contains a provision specifying the amount of the maximum aggregate liability of the guarantor thereunder.

SB 329, AN ACT relating to corporate taxes.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 136 IS CREATED TO READ AS FOLLOWS:

(1) Every foreign federal or state savings and loan association, savings bank, and other similar institution

authorized to transact business in this state, with property and payroll within and without this state shall, during January of each year, file with the revenue cabinet a report containing such information and in such form as the cabinet may require, under the oath of its president or secretary.

(2) The cabinet shall fix the fair cash value, as of January 1 of each year, of the capital attributable to Kentucky in each financial institution included in subsection (1) of this section. The methodology employed by the cabinet shall be a three-step process as follows:

(a) The total value of deposits maintained in Kentucky less any amounts where the amount borrowed equals or exceeds the amount paid in by those members.

(b) The Kentucky apportioned value of capital shall include undivided profits, surplus, general reserves and paid-up stock. The Kentucky value of capital shall be determined by a fraction, the numerator of which is the receipts factor plus the outstanding loan balance factor plus the payroll factor, and the denominator of which is three (3).

(c) The values determined in steps (a) and (b) of this subsection shall be added together to determine total Kentucky capital and then reduced by the influence of ownership in tax exempt United States obligations to determine Kentucky taxable capital. The influence of tax exempt United States obligations is to be determined from the reports of condition filed with the applicable supervisory agency as follows: the average amount of tax exempt United States obligations for the calendar year over the average amount of total assets for the calendar year, multiplied by total Kentucky capital. The cabinet shall immediately notify each institution of the value so fixed.

(3) The receipts factor specified in subsection (2)(b) of this section is a fraction, the numerator of which is all receipts derived from loans and other sources negotiated through offices or derived from customers in Kentucky, and the denominator of which is total business receipts for the preceding calendar year.

(4) The outstanding loan balance factor specified in subsection (2)(b) of this section is a fraction, the numerator of which is the average balance of outstanding loans negotiated from offices or made to customers in Kentucky. The denominator is the average balance of all outstanding loans. The average outstanding loan balance is determined by adding the outstanding loan balance at the beginning of the preceding calendar year to the outstanding loan balance at the end of the preceding calendar year and dividing by two (2). However, if the yearly beginning balance and ending balance results in an inequitable factor, the average outstanding loan balance may be computed on a monthly average balance.

(5) The payroll factor specified in subsection (2)(b) of this section shall be determined for the preceding calendar year under the provisions of KRS 141.120(8)(b) and regulations promulgated thereunder.

(6) By July 1 succeeding the filing of the report as provided in subsection (1) of this section, each financial institution included in subsection (1) of this section shall pay directly into the state treasury a tax of one dollar (\$1) for each one thousand dollars (\$1,000) paid in on its Kentucky taxable capital as fixed in subsection (2)(c) of this section. The institution shall not be required to pay local taxes upon its capital stock, surplus, undivided profits, notes, mortgages or other credits, and the tax provided by this section shall be in lieu of all taxes for state purposes on intangible property of the institution, nor shall any depositor of the institution be required to list his deposits for taxation under KRS 132.020. Failure to make reports and pay taxes as provided in this section shall subject the institution to the same penalties imposed for such failure on the part of the other corporations.

(7) If a financial institution included in subsection (1) of this section so elects, it may deduct taxes imposed in subsection (5) of this section from the dividends paid or credited to a nonborrowing shareholder.

(8) This section shall be effective retroactive to December 28, 1986, upon approval by the general assembly and the governor.

Section 2. 136.310, Tax on and reports from foreign savings and loan associations, is repealed.

Section 3. KRS 289.011 is amended to read as follows:

As used in this chapter, unless the context otherwise requires:

(1) "Association" means a savings and loan association subject to the provisions of this chapter and as used in KRS 136.290, 136.300 and *Section 1 of this Act* ~~[136.310]~~.

(2) "Combination home and business structure" means a building or buildings, including residences for not more than four families, which are used in part for business purposes. The residential use of such a building must be substantial and permanent, not merely transitory. The business use may predominate.

(3) "Commissioner" means the commissioner of financial institutions.

(4) "Direct-reduction loan" means a loan repayable in consecutive weekly, monthly or semiannual instalments, equal or unequal, sufficient to retire the debt, interest, and principal; provided, however, that the initial loan contract shall not provide for any subsequent monthly instalment of an amount larger than any previous monthly instalment; and, provided further, that in the case of construction loans the first payment under said contract shall be made not later than twelve (12) months after the date of the first advance. Any such loan is an amortized loan.

(5) "Dividend" or "earnings" means that part of the net income of an association which is declared payable on savings accounts and savings certificates from time to time by the board of directors, and is the cost of savings money to the association. Dividend or earnings also may be referred to as "interest."

(6) "Gross income" means the sum for an accounting period of the following:

(a) Operating income.

(b) Real estate income.

(c) All profits actually received during such accounting period from the sale of securities, real estate, or other property.

(d) Other nonrecurring income.

(7) "Home" means a dwelling or dwellings for not more than four families, the principal use of which is for residential purposes. A home on a farm is a home.

(8) "Home loan" means a real estate loan the security for which is home property.

(9) "Home property" means real estate on which there is located, or will be located pursuant to a home loan, a home or a combination home and business structure.

(10) "Impaired condition" means a condition in which the assets of an association in the aggregate do not have a fair value equal to the aggregate amount of liabilities of the association to its creditors, including its members and all other persons.

(11) "Improved real estate" means real estate on which there is a structure or an enclosure, or which is cultivated, reclaimed, used for the purpose of agriculture in any form, or otherwise occupied, made better, more useful, or of greater value by care so as to produce an enjoyment thereof.

(12) "Insured association" means an association the savings accounts of which are insured in accordance with the provisions of this chapter.

(13) "Member" means a person holding a savings account or a savings certificate of an association, or a person borrowing from or assuming or obligated upon a loan or interest therein held by an association, or purchasing property securing a loan or interest therein held by an association. A joint and survivorship relationship, whether of investors or borrowers, constitutes a single membership.

(14) "Net income" means gross income for an accounting period less the aggregate of the following:

(a) Operating expenses.

(b) Real estate expenses.

(c) All losses actually sustained during such accounting period from the sale of securities, real estate or other property, or such portion of such losses as shall not have been charged to reserves, pursuant to the provisions of this chapter.

(d) All interest paid, or due but unpaid, on borrowed money.

(e) Other nonrecurring charges.

(15) "Net income available for dividends or earnings" means net income for an accounting period less amount transferred to reserves as provided in this chapter.

(16) "Operating expenses" means all expenses actually paid, or due but unpaid, by an association during an accounting period, excluding the following:

(a) Real estate expenses.

(b) Interest on borrowed money.

(c) Other nonrecurring charges.

That portion of prepaid expenses which is not apportionable to the period may be excluded from operating expenses, in which event operating expenses for future periods shall include that portion of such prepaid expenses apportionable thereto.

(17) "Operating income" means all income actually received by an association during an accounting period, excluding the following:

(a) Foreclosed real estate income.

(b) Other nonrecurring income.

(18) "Other real estate loan" means a real estate loan the security for which is real estate other than home property.

(19) "Real estate expenses" means all expenses actually paid, or due but unpaid, in connection with the ownership, maintenance, and sale of real estate (other than office building or buildings and real estate held for investment) by an association during an accounting period, excluding capital expenditures and losses on the sale of real estate.

(20) "Real estate income" means all income actually received by an association during an accounting period from real estate owned (other than from office building or buildings and real estate held for investment) excluding profit from sale of real estate.

(21) "Real estate loan" means any loan or other obligation secured by real estate, whether in fee or in a leasehold.

(22) "Savings account" means that part of the savings liability of the association which is credited to the account of the holders thereof.

(23) "Savings certificate" means that part of a savings account which is fully paid and is represented by a certificate.

(24) "Savings liability" means the aggregate amount of savings accounts and savings certificates of members, including dividends credited to such accounts, less redemptions and withdrawals. Savings liability also may be referred to as "deposit."

(25) "Withdrawal value" means the amount credited to a savings account and savings certificate of a member, less lawful deductions therefrom, as shown by the records of the association.

(26) "Minor" means a person over fourteen (14) years of age and under eighteen (18) years of age.

(27) "Capital stock" as used in this chapter may be used interchangeably with the term savings account and savings certificate.

The Committee on Labor and Industry reported **SB 195** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Consent Calendar.

SB 195. AN ACT relating to consumer protection.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 367.474 is amended to read as follows:

(1) In the sale or offering for sale of any subdivision which is primarily directed toward recreational or retirement use, in the sale of which any improvements are advertised but not completed, *or completed but not paid for*, the subdivider shall furnish a bond payable to the attorney general in an amount equal to the costs of all such improvements, included but not limited to roads, lakes, golf courses, and stables which are so advertised prior to the sale of any such land or property. Such bond shall remain in effect until the advertised improvements are made and if not completed within a time deemed reasonable by the attorney general shall, after hearing, be forfeited to the attorney general for the use and benefit of the purchasers of the property. Upon completion of the promised improvements *and production of releases by all creditors with a potential lien interest in such improvements* and production of a verified statement to this effect the subdivider may petition the attorney general ~~[commission]~~ for release of the bond.

(2) If the land or property offered for sale by the subdivider is located outside of the Commonwealth of Kentucky and is sold both to Kentucky residents and residents of other jurisdictions, the attorney general may accept a bond as described in subsection (1) of this section equal to the pro rata share of improvements for that property that is reasonably anticipated to be sold to Kentucky residents.

(3) In lieu of the bonding requirements appearing in subsection (1) of this section, a subdivider may, with the approval of the attorney general, place in an approved escrow account fifty percent (50%) of receipts of sales of such subdivided lots until the amount necessary to make the improvements has been accumulated or the improvements advertised by the subdivider made. If the improvements are not made within a reasonable time as determined by the attorney general, such escrow account, after hearing, shall revert to the benefit of the subdivision purchasers.

Section 2. KRS 367.480 is amended to read as follows:

The attorney general shall promulgate *administrative* ~~[rules and]~~ regulations which will ensure an adequate disclosure to the purchaser of recreational and retirement use land the probable costs of any necessary maintenance of improvements of such land which may accrue in the future, *or lease, mortgage, and similar financial payments*, including but not limited to the costs of taxes, assessments, belonging to an association, costs of inflation, and repairs or improvements. Such disclosure shall be made both orally and in writing prior to the sale of such land.

SECTION 3. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

(1) *In addition to any right otherwise to revoke an offer, the buyer has the right to cancel a purchase of an interest from a subdivider until midnight of the fifth business day after the day on which the buyer signs an agreement or offer to purchase which is subject to this Act.*

(2) *Cancellation occurs when the buyer gives written notice of cancellation to the subdivider at the address stated in the agreement or offer to purchase.*

(3) *Notice of cancellation, if given by mail, is given when it is deposited in a mailbox, properly addressed*

and postage prepaid.

(4) Notice of cancellation given by the buyer need not take a particular form and is sufficient if it indicates by any form of written expression the intention of the buyer not to be bound by the sale of interest.

SECTION 4. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

(1) In a sale of interest, the subdivider shall present to the buyer and obtain his signature to a written agreement or offer to purchase which designates as the date of the transaction the date on which the buyer actually signs and contains a statement of the buyer's rights which complies with subsection (2) of this section.

(2) The statement shall:

(a) Appear under the conspicuous caption: "BUYER'S RIGHT TO CANCEL," in bold-face type of a minimum size of fourteen (14) points; and

(b) Read as follows: "If you decide you do not want this interest you may cancel this agreement by mailing a notice to the seller. The notice must say that you do not want the interest and must be mailed before midnight of the fifth business day after you sign this agreement. The notice must be mailed to:

.....
"

(3) Until the seller has complied with this section the buyer may cancel the sale by notifying the seller in any manner and by any means of his intention to cancel.

SECTION 5. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

Within ten (10) days after a sale of interest has been cancelled or an offer to purchase revoked, the subdivider shall tender to the buyer any payments made by the buyer and any note or other evidence of indebtedness.

SECTION 6. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO READ AS FOLLOWS:

Rights of cancellation may not be waived or otherwise surrendered.

Section 7. KRS 367.470 is amended to read as follows:

(1) The provisions of KRS 367.472 to 367.486 and the provisions of this Act shall apply to recreation and retirement use land sales.

(2) The general assembly finds and declares that the sale and offering for sale of recreation and retirement use land, the sale of which is often premised upon future completion of improvements by the subdivider, affects a great number of the citizens of this state and that regulation of such promised improvements in recreation and retirement use land is essential.

Calendar

SB 42, SB 286, SB 303, SB 244 and HB 802 taken from the Calendar and ordered read at length for the second time. Representative Stumbo moved that they be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Orders of the Day

Representative Stumbo moved the rules be suspended to act upon a Legislative Citation. Agreed.

Representative Mason moved the adoption of Legislative Citation No. 102. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby cites and recognizes **WHITESBURG HIGH SCHOOL GOVERNMENT CLASS** for your interest in the operations of your state government as evidenced by your visit to the Kentucky State Capitol and House of Representatives on this day. Further, this visit has given you the opportunity to review the law making process and to see, first hand, government at work. Bruce Sexton and Arthur Jackson are to be commended for bringing the class to Frankfort.

The House of Representatives joins Representative Paul Mason in welcoming you.

SB 145, with Committee Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative B. Richardson moved the adoption of Committee Amendment No. 1 to **SB 145**. Rejected.

Representative Overstreet moved that the Committee Amendment No. 1 to **SB 145** be reconsidered. Agreed.

Representative B. Richardson moved the adoption of Committee Amendment No. 1 to **SB 145**.

On the roll call the vote was yeas 92-Ackerson, Adams, Adkins, Allen, Altman, Ark, Arnold, Ballard, Blandford, Blevins, Bronger, J. Brown, M. Brown, Bruce, Callahan, Casebier, Castleman, L. Clark, P. Clark, Clarke, Cline, Crupper, Curd, Cyrus, Deskins, Donnermeyer, Farrow, Ford, Freibert, Gedling, Geveden, Gray, Gregory, Guenther, Handy, J. Harper, K. Harper, Hatcher, Hoover, Hourigan, Jackson, Johnson, A. Jones, R. Jones, T. Jones, Keith, Kerr, Layman, Lear, Lefevers, LeMaster, Lile, Long, Lundergan, Lyne, Mack, Maggard, Mason, McBee, McElroy, Meyer, Moberly, Morris, Napier, Nett, Noland, Northup, O'Brien, Overstreet, Priddy, Pritchett, Rapier, Reinhardt, Richards, B. Richardson, P. Richardson, Ridley, Riner, Robinson, Scorsone, Seum, Siler, B. Smith, R. Smith, Strong, Stumbo, Todd, Turner, Walker, White, Will, Worthington. Nays 0.

Committee Amendment No. 1 to **SB 145** was adopted.

Representative Little moved that **SB 145**, as amended, be passed.

On the roll call the vote was: Yeas 95, Nays 0. (See March 22, 1988 roll call on **SB 145** - Appendix A.)

SB 145, as amended, was passed and the title agreed to.

Representative Little moved that the vote by which **SB 145**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

Report on Enrolled Bills

The Committee on Enrollment reported **SB 273** had been examined and found correctly enrolled. Said Bill read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate. (Time - 2:23 p.m.)

Orders of the Day (continued)

HB 716, with Committee Substitute and Floor Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Little moved the adoption of Committee Substitute to **HB 716**. Agreed.

Representative Blevins moved the adoption of Floor Amendment No. 1 to Committee Substitute to **HB 716**. Agreed.

Representative Little moved that **HB 716**, by way of Committee Substitute as amended, be passed.

On the roll call the vote was: Yeas 90, Nays 2. (See March 22, 1988 roll call on **HB 716** - Appendix A.)

HB 716, by way of Committee Substitute as amended, was passed and the title agreed to.

Representative Little moved that the vote by which **HB 716**, by way of Committee Substitute as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 756, with Committee Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Callahan moved the adoption of Committee Amendment No. 1 to **HB 756**. Agreed.

Representative Callahan moved that **HB 756**, as amended, be passed.

On the roll call the vote was: Yeas 89, Nays 0. (See March 22, 1988 roll call on **HB 756** - Appendix A.)

HB 756, as amended, was passed and the title agreed to.

Representative Callahan moved that the vote by which **HB 756**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 695, as amended by Floor Amendment No. 1 and with Committee Amendment attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed by a majority of members elected.

Representative B. Richardson moved the adoption of Floor Amendment No. 2 to **HB 695**. Agreed.

Representative Handy moved that **HB 695**, as amended, be passed.

On the roll call the vote was: Yeas 85, Nays 6. (See March 22, 1988 roll call on **HB 695** - Appendix A.)

HB 695, as amended, was passed and the title agreed to.

Representative Handy moved that the vote by which **HB 695**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 700 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative McElroy moved that **HB 700** be passed.

On the roll call the vote was: Yeas 78, Nays 3. (See March 22, 1988 roll call on **HB 700** - Appendix A.)

HB 700 was passed and the title agreed to.

Representative McElroy moved that the vote by which **HB 700** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 605, with Committee Amendments attached thereto, taken from the Orders of the Day and ordered

read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Gregory moved the adoption of Committee Amendment No. 1 to **HB 605**. Agreed.

Representative Lear moved the adoption of Committee Amendment No. 2 to **HB 605**. Agreed.

Representative Lear moved the adoption of Committee Amendment No. 3 to **HB 605**. Agreed.

Representative Lear moved that **HB 605**, as amended, be passed.

On the roll call the vote was: Yeas 92, Nays 0. (See March 22, 1988 roll call on **HB 605** - Appendix A.)

HB 605, as amended, was passed and the title agreed to.

Representative Lear moved that the vote by which **HB 605**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

Representative Stumbo moved that **HB 228** be recommitted to the Committee on State Government. Agreed.

Representative Stumbo moved that **HB 194** be recommitted to the Committee on Natural Resources and Environment. Agreed.

HB 858 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Seum moved that **HB 858** be passed.

On the roll call the vote was: Yeas 58, Nays 24. (See March 22, 1988 roll call on **HB 858** - Appendix A.)

HB 858 was passed and the title agreed to.

Representative Seum moved that the vote by which **HB 858** was passed be reconsidered and said motion be placed on the table. Agreed.

Representative Stumbo moved that **HB 900** be recommitted to the Committee on State Government. Agreed.

HB 523, as amended by Committee Amendments Nos. 1, 2, and 3 and with Floor Amendment attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed by a majority of members elected.

Representative Ackerson moved the adoption of Floor Amendment No. 1 to **HB 523**.

On the roll call the vote was yeas 76-Ackerson, Adams, Adkins, Allen, Altman, Arnold, Blandford, Blevins, Bronger, J. Brown, M. Brown, Bruce, Callahan, Casebier, Castleman, L. Clark, P. Clark, Cline, Crupper, Curd, Cyrus, Donnermeyer, Ford, Freibert, Geveden, Gray, Guenthner, Hancock, J. Harper, K. Harper, Heleringer, Hoover, Jackson, A. Jones, R. Jones, Keith, Kerr, Lear, Lefevers, Lile, Long, Lundergan, Lyne, Mack, Maggard, Mason, McBee, Meyer, Moberly, Morris, Napier, Nett, Noe, Noland, Northup, O'Brien, Overstreet, Priddy, Pritchett, Reinhardt, Richards, P. Richardson, Ridley, Riner, Scorsone, Seum, Siler, B. Smith, R. Smith, Strong, Todd, Turner, Walker, White, Will, Worthington. Nays 10-Ark, Clarke, Deskins, Gregory, Handy, Hatcher, Hourigan, Johnson, Preston, B. Richardson.

Floor Amendment No. 1 to **HB 523** was adopted.

Representative Ackerson moved that **HB 523**, as amended, be passed.

On the roll call the vote was: Yeas 53, Nays 29. (See March 22, 1988 roll call on **HB 523** - Appendix A.)

HB 523, as amended, was passed and the title agreed to.

Representative Ackerson moved that the vote by which **HB 523**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

Representative Stumbo moved that **HB 494** be recommitted to the Committee on Business Organizations and Professions. Agreed.

HB 916 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative A. Jones moved that **HB 916** be passed.

On the roll call the vote was: Yeas 93, Nays 1. (See March 22, 1988 roll call on **HB 916** - Appendix A.)

HB 916 was passed and the title agreed to.

Representative A. Jones moved that the vote by which **HB 916** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 966, with Committee Substitute attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Gray moved the adoption of Committee Substitute to **HB 966**. Agreed.

Representative Gray moved that **HB 966**, by way of Committee Substitute, be passed.

On the roll call the vote was: Yeas 52, Nays 43. (See March 22, 1988 roll call on **HB 966** - Appendix A.)

HB 966, by way of Committee Substitute, was passed and the title agreed to.

Representative Gray moved that the vote by which **HB 966**, by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 984, with Floor Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved the adoption of Floor Amendment No. 1 to **HB 984**. Agreed.

Representative LeMaster moved that **HB 984**, as amended, be passed.

On the roll call the vote was: Yeas 93, Nays 0. (See March 22, 1988 roll call on **HB 984** - Appendix A.)

HB 984, as amended, was passed.

Representative LeMaster moved the adoption of Floor Title Amendment to **HB 984**. Agreed; and the

title was agreed to.

Representative LeMaster moved that the vote by which **HB 984**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 1018, with Floor Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Robinson moved that **HB 1018** be passed.

On the roll call the vote was: Yeas 84, Nays 0. (See March 22, 1988 roll call on **HB 1018** - Appendix A.)

HB 1018 was passed and the title agreed to.

Representative Robinson moved that the vote by which **HB 1018** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 396, with Committee Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative R. Smith moved the adoption of Committee Amendment No. 1 to **HB 396**. Agreed.

Representative R. Smith moved that **HB 396**, as amended, be passed.

On the roll call the vote was: Yeas 89, Nays 1. (See March 22, 1988 roll call on **HB 396** - Appendix A.)

HB 396, as amended, was passed and the title agreed to.

Representative R. Smith moved that the vote by which **HB 396**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 792 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Johnson moved that **HB 792** be passed.

On the roll call the vote was: Yeas 86, Nays 0. (See March 22, 1988 roll call on **HB 792** - Appendix A.)

HB 792 was passed and the title agreed to.

Representative Johnson moved that the vote by which **HB 792** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 183, with Committee Substitute and Committee Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Napier moved the adoption of Committee Substitute to **HB 183**. Agreed.

Representative Napier moved the adoption of Committee Amendment No. 1 to **HB 183**. Agreed.

Representative Napier moved that **HB 183**, by way of Committee Substitute as amended, be passed.

On the roll call the vote was: Yeas 88, Nays 0. (See March 22, 1988 roll call on **HB 183** - Appendix A.)

HB 183, by way of Committee Substitute as amended, was passed and the title agreed to.

Representative Napier moved the adoption of the Committee Title Amendment to **HB 183**. Agreed.

Representative Napier moved that the vote by which **HB 183**, by way of Committee Substitute as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 280, with Committee Substitute attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Curd moved the adoption of Committee Substitute to **HB 280**. Agreed.

Representative Curd moved that **HB 280**, by way of Committee Substitute, be passed.

On the roll call the vote was: Yeas 87, Nays 0. (See March 22, 1988 roll call on **HB 280** - Appendix A.)

HB 280, by way of Committee Substitute, was passed and the title agreed to.

Representative Curd moved that the vote by which **HB 280**, by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 282 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Lundergan moved that **HB 282** be passed.

On the roll call the vote was: Yeas 65, Nays 13. (See March 22, 1988 roll call on **HB 282** - Appendix A.)

HB 282 was passed and the title agreed to.

Representative Lundergan moved that the vote by which **HB 282** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 358 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Clarke moved that **HB 358** be passed.

On the roll call the vote was: Yeas 85, Nays 0. (See March 22, 1988 roll call on **HB 358** - Appendix A.)

HB 358 was passed and the title agreed to.

Representative Clarke moved that the vote by which **HB 358** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 699 taken from the Orders of the Day and ordered read at length for the third time. Representative

Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative McElroy moved that **HB 699** be passed.

On the roll call the vote was: Yeas 86, Nays 1. (See March 22, 1988 roll call on **HB 699** - Appendix A.)

HB 699 was passed and the title agreed to.

Representative McElroy moved that the vote by which **HB 699** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 753 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative A. Jones moved that **HB 753** be passed.

On the roll call the vote was: Yeas 86, Nays 2. (See March 22, 1988 roll call on **HB 753** - Appendix A.)

HB 753 was passed and the title agreed to.

Representative A. Jones moved that the vote by which **HB 753** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 838 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Priddy moved that **HB 838** be passed.

On the roll call the vote was: Yeas 83, Nays 4. (See March 22, 1988 roll call on **HB 838** - Appendix A.)

HB 838 was passed and the title agreed to.

Representative Priddy moved that the vote by which **HB 838** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 853, with Committee Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative B. Smith moved the adoption of Committee Amendment No. 1 to **HB 853**. Agreed.

Representative B. Smith moved that **HB 853**, as amended, be passed.

On the roll call the vote was: Yeas 92, Nays 0. (See March 22, 1988 roll call on **HB 853** - Appendix A.)

HB 853, as amended, was passed and the title agreed to.

Representative B. Smith moved that the vote by which **HB 853**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 864, with Committee Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Hancock moved the adoption of Committee Amendment No. 1 to **HB 864**. Agreed.

Representative Hancock moved that **HB 864**, as amended, be passed.

On the roll call the vote was: Yeas 86, Nays 0. (See March 22, 1988 roll call on **HB 864** - Appendix A.)

HB 864, as amended, was passed and the title agreed to.

Representative Hancock moved that the vote by which **HB 864**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 1011 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Priddy moved that **HB 1011** be passed.

On the roll call the vote was: Yeas 85, Nays 1. (See March 22, 1988 roll call on **HB 1011** - Appendix A.)

HB 1011 was passed and the title agreed to.

Representative Priddy moved that the vote by which **HB 1011** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 1013, with Committee Substitute and Floor Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Stumbo moved the adoption of Committee Substitute to **HB 1013**.

On the roll call the vote was yeas 63-Ackerson, Adams, Adkins, Altman, Ark, Arnold, Blandford, Blevins, Bronger, J. Brown, M. Brown, Bruce, Callahan, Casebier, Castleman, L. Clark, Cline, Curd, Cyrus, Deskins, Donnermeyer, Ford, Gedling, Geveden, Gregory, Guenthner, Handy, Jackson, A. Jones, Kerr, Layman, Lear, Lefevers, LeMaster, Lile, Lundergan, Lyne, Mack, Maggard, Mason, McBee, McElroy, Meyer, Morris, Nett, Northup, O'Brien, Overstreet, Preston, Pritchett, Rapier, Reinhardt, Richards, B. Richardson, Ridley, Robinson, B. Smith, R. Smith, Strong, Stumbo, Turner, White, Worthington. Nays 15-P. Clark, Clarke, Crupper, Freibert, Hancock, J. Harper, Hoover, Hourigan, Keith, Long, Moberly, Napier, Scorsone, Siler, Will.

Committee Substitute to **HB 1013** was adopted.

Representative Worthington moved the adoption of Floor Amendment No. 2 to Committee Substitute to **HB 1013**.

On the roll call the vote was yeas 71-Adams, Adkins, Allen, Altman, Ark, Arnold, Ballard, Blandford, Blevins, J. Brown, M. Brown, Bruce, Callahan, Castleman, L. Clark, P. Clark, Cline, Crupper, Curd, Cyrus, Deskins, Ford, Gedling, Geveden, Gregory, J. Harper, K. Harper, Hourigan, Jackson, Johnson, A. Jones, Keith, Kerr, Lefevers, LeMaster, Little, Lundergan, Lyne, Mack, Maggard, Mason, McBee, McElroy, Moberly, Morris, Napier, Noland, Northup, O'Brien, Overstreet, Preston, Pritchett, Rapier, Reinhardt, Richards, B. Richardson, P. Richardson, Ridley, Riner, Robinson, Siler, B. Smith, R. Smith, Strong, Stumbo, Todd, Turner, Walker, White, Will, Worthington. Nays 15-Ackerson, Casebier, Clarke, Donnermeyer, Freibert, Gray, Guenthner, Hancock, Hatcher, Lear, Lile, Meyer, Priddy, Scorsone, Seum.

Floor Amendment No. 2 to Committee Substitute to **HB 1013** was adopted.

Representative Stumbo moved that **HB 1013**, by way of Committee Substitute as amended, be passed.

On the roll call the vote was: Yeas 86, Nays 5. (See March 22, 1988 roll call on **HB 1013** - Appendix A.)

HB 1013, by way of Committee Substitute as amended, was passed and the title agreed to.

Representative Stumbo moved that the vote by which **HB 1013**, by way of Committee Substitute as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

Senate Message

Announcing the passage of **SB 307**, **SB 318**, **SB 353**, **SJR 84** and **SCR 115**.

SB 201 returned with the following message: The Senate has refused to concur in the House Amendment to **SB 201** and respectfully returns it with the request that this Honorable Body recede from the Amendment.

Orders of the Day (continued)

HB 559, with Committee Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Blevins moved the adoption of Committee Amendment No. 1 to **HB 559**. Agreed.

Representative Blevins moved that **HB 559**, as amended, be passed.

On the roll call the vote was: Yeas 85, Nays 0. (See March 22, 1988 roll call on **HB 559** - Appendix A.)

HB 559, as amended, was passed and the title agreed to.

Representative Blevins moved that the vote by which **HB 559**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 861 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Richards moved that **HB 861** be passed.

On the roll call the vote was: Yeas 81, Nays 3. (See March 22, 1988 roll call on **HB 861** - Appendix A.)

HB 861 was passed and the title agreed to.

Representative Richards moved that the vote by which **HB 861** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 897 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Deskins moved that **HB 897** be passed.

On the roll call the vote was: Yeas 86, Nays 1. (See March 22, 1988 roll call on **HB 897** - Appendix A.)

HB 897 was passed and the title agreed to.

Representative Deskins moved that the vote by which **HB 897** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 898 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Deskins moved that **HB 898** be passed.

On the roll call the vote was: Yeas 82, Nays 1. (See March 22, 1988 roll call on **HB 898** - Appendix A.)

HB 898 was passed and the title agreed to.

Representative Deskins moved that the vote by which **HB 898** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 920, with Floor Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Strong moved that **HB-920** be passed.

On the roll call the vote was: Yeas 87, Nays 0. (See March 22, 1988 roll call on **HB 920** - Appendix A.)

HB 920 was passed and the title agreed to.

Representative Strong moved that the vote by which **HB-920** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 923 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Hancock moved that **HB 923** be passed.

On the roll call the vote was: Yeas 88, Nays 0. (See March 22, 1988 roll call on **HB 923** - Appendix A.)

HB 923 was passed and the title agreed to.

Representative Hancock moved that the vote by which **HB 923** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 12, with Senate Committee Substitute attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Committee Substitute to **HB 12** is as follows:

HB 12, AN ACT relating to criminal record checks for certain job applicants.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. KRS 17.165 IS REPEALED, REENACTED AND AMENDED TO READ AS FOLLOWS:

(1) *As used in this section "sex crime" means a conviction or a plea of guilty for a violation or attempted violation of KRS 510.040 to 510.140, 529.020 to 529.050, 530.020, 530.065, 531.310, 531.320, and 531.340 to 531.370. Conviction for a violation or attempted violation of an offense committed outside the Commonwealth of Kentucky is a sex crime if such offense would have been a crime in Kentucky under one (1) of the above sections if committed in Kentucky.*

(2) *As used in this section "violent offender" means any person who has been convicted of or pled guilty to the commission of a capital offense, Class A felony, or Class B felony involving the death of the victim, or rape in the first degree or sodomy in the first degree of the victim or serious physical injury to a victim.*

(3) *As used in this section "violent crime" shall mean a conviction of or a plea of guilty to the commission of a capital offense, Class A felony, or Class B felony involving the death of the victim, or rape in the first degree or sodomy in the first degree of the victim or serious physical injury to a victim.*

(4) *No [state board of education pursuant to KRS 156.070 or local board of education of either an independent or county school district pursuant to KRS 160.290 and no] child-care center as defined in KRS 199.894 shall employ, in a position which involves supervisory or disciplinary power over a minor, any person who is a violent offender or has been convicted of a sex crime classified as a felony. Operators of child-care centers may employ persons convicted of sex crimes classified as a misdemeanor at their discretion. Each [board of education and each] child-care center shall request all conviction information for [the criminal record of prior sex crime convictions or pleas of guilty of] any applicant for employment from the justice cabinet prior to employing the applicant; except that the provisions of this section shall not apply to any church sponsored school, private school, or church sponsored day-care center].*

(5)[(2)] *Each application form, provided by the employer to the applicant, shall conspicuously state the following: "FOR THIS TYPE OF EMPLOYMENT, STATE LAW REQUIRES A CRIMINAL RECORD CHECK AS A CONDITION OF EMPLOYMENT."*

(6)[(3)] *Any request for records under subsection (4) [(1)] of this section shall be on a form approved by the justice cabinet, and the cabinet may charge a fee to be paid by the applicant in an amount no greater than the actual cost of processing the request.*

(7) *The provisions of this section shall apply to all applicants for initial employment in a position which involves supervisory or disciplinary power over a minor after the effective date of this Act.*

[(4) *As used in this section "sex crime" means a conviction or a plea of guilty for a violation or attempted violation of KRS 510.040 to 510.150, 529.020 to 529.050, 529.070, 530.020, 531.310, 531.320, 531.340 to 531.370, and the criminal offense of unlawful transaction with a minor in the first degree. Conviction for a violation or attempted violation of an offense committed outside the Commonwealth of Kentucky is a sex crime if such offense would have been a crime in Kentucky under one (1) of the above subsections if committed in Kentucky.*]

SECTION 2. A NEW SECTION OF KRS CHAPTER 156 IS CREATED TO READ AS FOLLOWS:

(1) *The state department of education shall not employ, in a position which involves supervisory or disciplinary power over a minor, any person who is a violent offender or has been convicted of a sex crime as defined in Section 1 of this Act which is classified as a felony. The department of education may employ, at its discretion, persons convicted of sex crimes classified as a misdemeanor. The department of education shall request all conviction information for any applicant for employment from the justice cabinet prior to employing the applicant.*

(2) *Each application form, provided by the department of education to the applicant, shall conspicuously state the following: "FOR THIS TYPE OF EMPLOYMENT, STATE LAW REQUIRES A CRIMINAL RECORD CHECK AS A CONDITION OF EMPLOYMENT."*

(3) *Any request for records under subsection (1) of this section shall be on a form approved by the justice*

cabinet, and the cabinet may charge a fee to be paid by the applicant in an amount no greater than the actual cost of processing the request.

(4) The provisions of this section shall apply to all applicants for initial employment in a position which involves supervisory or disciplinary power over a minor after the effective date of this Act.

SECTION 3. KRS 199.462 IS REPEALED, REENACTED AND AMENDED TO READ AS FOLLOWS:

(1) Before any applicant to provide foster care home services to a minor may be approved, the cabinet for human resources shall request from the justice cabinet records of all *conviction information* ~~available convictions involving any sex crime or crime of violence~~ for the applicant. The justice cabinet shall furnish the information to the cabinet for human resources and shall also send a copy of the information to the applicant.

(2) The request for records shall be on a form approved by the justice cabinet and the justice cabinet may charge a fee to be paid by the applicant for the actual cost of processing the request.

Section 4. KRS 160.380 is amended to read as follows:

(1) All appointments, promotions and transfers of principals, supervisors, teachers and other public school employes shall be made only upon the recommendation of the superintendent of schools, subject to the approval of the board. If the board of education cannot agree with the superintendent as to any legally qualified person recommended by the superintendent, the board of education may appeal to the state board of education to review the case and the decision of the state board of education shall be final. All employes of the board shall have such qualifications as are prescribed by law and by the regulations of the state board of and of the employing board. Supervisors, principals, teachers and other employes may be appointed by the board of education for any school year at any time after February 1 next preceding the beginning of the school year.

(2) *No board of education shall employ in a position which involves supervisory or disciplinary power over a minor, any person who is a violent offender or has been convicted of a sex crime as defined by Section 1 of this Act which is classified as a felony. The board may employ, at its discretion, persons convicted of sex crimes classified as a misdemeanor. Each board shall request all conviction information for any applicant for initial employment from the justice cabinet prior to employing the applicant.*

(3) (a) *If a school term has begun and a position remains unfilled or if a vacancy occurs during a school term, a board may employ an individual, who will have supervisory or disciplinary authority over minors, on probationary status pending receipt of the required records. Application for the criminal record of a probationary employe shall be made no later than the date probationary employment begins.*

(b) *Employment shall be contingent on the receipt of records documenting that the probationary employe has no record of a sex crime nor as a violent offender as defined in section 1 of this Act.*

(c) *Notwithstanding KRS 161.720 to 161.800 or any other statute to the contrary, probationary employment under this section shall terminate on receipt by the district of a record documenting a criminal act as defined above and no further procedures shall be required.*

(4) *Each application or renewal form, provided by the employer to the applicant, shall conspicuously state the following: "FOR THIS TYPE OF EMPLOYMENT, STATE LAW REQUIRES A CRIMINAL RECORD CHECK AS A CONDITION OF EMPLOYMENT."*

(5) *Any request for records under subsection (2) of this section shall be on a form approved by the justice cabinet, and the cabinet may charge a fee to be paid by the applicant in an amount no greater than the actual cost of processing the request.*

(6) *The provisions of this section shall apply to all applicants for initial employment in a position which involves supervisory or disciplinary power over a minor after the effective date of this Act. Initial employment shall include first time applicants and applicants who were former employes of the district but have not been employed by the district for six (6) months.*

SECTION 5. KRS 17.990 IS REPEALED, REENACTED AND AMENDED TO READ AS FOLLOWS:

(1) Any person who violates any of the provisions of KRS 17.320 to 17.340 shall be fined not less than fifty dollars (\$50) nor more than five hundred dollars (\$500).

(2) Any public official or employee who knowingly or intentionally makes, or causes to be made, a false return of information to the department shall be punished by confinement in jail for not more than ninety (90) days, by a fine not exceeding five hundred dollars (\$500), or both.

(3) (a) Any child-care center which violates subsection (4) ~~[(4)]~~ of KRS 17.165 may be liable for license revocation and the imposition of a civil penalty of not less than five hundred dollars (\$500) and not more than one thousand dollars (\$1,000) to be imposed and collected by the cabinet for human resources; *and*

(b) ~~[The department of education may withhold funds allotted under KRS 157.350 from any board of education which violates subsection (1) of KRS 17.165 in the amount of one thousand dollars (\$1,000) per violation; and~~

(e) ~~[In addition to penalties listed in this subsection, any child-care center [or any board of education] which violates subsection (4) [(4)] of KRS 17.165 shall be fined not less than five hundred dollars (\$500) or more than one thousand dollars (\$1,000).~~

Section 6. KRS 156.990 is amended to read as follows:

(1) Any witness who fails, without legal excuse, to attend or to testify, when required by the superintendent of public instruction under these provisions, shall be fined not more than twenty-five dollars (\$25.00) for each offense.

(2) Any person who violates any of the provisions of KRS 156.400 to 156.470 shall be fined not more than five hundred dollars (\$500) or imprisoned not more than three (3) months, or both.

(3) *A violation of subsection (1) of Section 2 of this Act shall cause the department of education to be fined not less than five hundred dollars (\$500) or more than one thousand dollars (\$1,000).*

Section 7. KRS 160.990 is amended to read as follows:

(1) Any person who violates any of the provisions of KRS 160.250 shall be fined not more than two hundred dollars (\$200).

(2) Any person who violates any of the provisions of KRS 160.300 shall be fined not less than ten (10) nor more than fifty dollars (\$50.00).

(3) Any superintendent who violates any of the provisions of KRS 160.350 to 160.400 shall be fined not less than one hundred (100) nor more than one thousand dollars (\$1,000) for each offense, and the violation is grounds for revocation of his certificate.

(4) Any superintendent who violates any of the provisions of KRS 160.420 shall be fined not less than one hundred (100) nor more than one thousand dollars (\$1,000) for each offense.

(5) Any person who violates any of the provisions of KRS 160.550 shall be fined not less than fifty (50) nor more than one hundred dollars (\$100), and shall be subject to removal from office.

(6) *The state board of education may withhold funds allotted under KRS 157.350 from any board of education which violates subsection (2) of Section 4 of this Act in the amount of one thousand dollars (\$1,000) per violation.*

(7) *In addition to penalties listed in this section, any board of education which violates subsection (2) of Section 4 of this Act shall be fined not less than five hundred dollars (\$500) or more than one thousand dollars (\$1,000).*

Representative McElroy moved that the House concur in Senate Committee Substitute to **HB 12**.

On the roll call the vote was yeas 27-Adkins, Blandford, Blevins, M. Brown, Bruce, Callahan, Deskins, Guenther, Hancock, Hatcher, Hourigan, Jackson, Johnson, A. Jones, Lear, Long, Maggard, Mason, McElroy, Moberly, Morris, Noe, Rapier, Riner, Scorsone, B. Smith, Stumbo. Nays 42-Ackerson, Allen, Altman, Ark, Bronger, Casebier, Castleman, L. Clark, Cline, Crupper, Curd, Ford, Freibert, Gedling, Geveden, Gray, Handy, J. Harper, K. Harper, Hoover, Kerr, Layman, Lefevers, Lile, Mack, Napier, Noland, Northup, O'Brien, Overstreet, Preston, Priddy, Reinhardt, P. Richardson, Seum, Siler, Strong, Todd, Turner, Walker, White, Will.

The motion that the House concur in the Senate Committee Substitute to **HB 12** was rejected.

HB 345, with Senate Amendments attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Committee Amendment No. 2 to **HB 345** is as follows:

Amend printed copy of **HB 345** on page 2, line 10, by deleting "*By September 1, 1988*" and inserting in lieu thereof: "*No later than September 1, 1989*".

The Senate Committee Amendment No. 3 to **HB 345** is as follows:

Amend printed copy of **HB 345** on page 4, line 8, by inserting after the word "*Act*" the following: "*, except within a school specifically designed for the education of pregnant or parenting students*".

Representative Blevins moved that the House concur in Senate Committee Amendment No. 2 to **HB 345**. Agreed.

Representative Blevins moved that the House concur in Senate Committee Amendment No. 3 to **HB 345**. Agreed.

Representative Blevins moved that **HB 345**, as amended by the Senate, be passed.

On the roll call the vote was: Yeas 54, Nays 24. (See March 22, 1988 roll call on **HB 345** - Appendix A.)

HB 345, as amended by the Senate, was passed and the title agreed to.

Representative Blevins moved that the vote by which **HB 345**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HCR 69, with Senate Amendment attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Committee Amendment No. 1 to **HCR 69** is as follows:

Amend printed copy of **HCR 69** on page 2, line 17, by inserting after the first "*task force*" the following: "*, who shall be appointed by the Legislative Research Commission*".

Representative Reinhardt moved that the House concur in Senate Committee Amendment No. 1 to **HCR 69**. Agreed.

Representative Reinhardt moved that **HCR 69**, as amended by the Senate, be passed.

On the roll call the vote was: Yeas 83, Nays 0. (See March 22, 1988 roll call on **HCR 69** - Appendix A.)

HCR 69, as amended by the Senate, was passed and the title agreed to.

Representative Reinhardt moved that the vote by which **HCR 69**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

Motions, Petitions and Communications

Representative Stumbo moved that when the House adjourns today it do so by voice vote. Agreed.

Recess

Representative Stumbo moved that the House recess for five minutes for a meeting of the Committee on Rules and Committee on Committees in the Speaker's Office. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Motions, Petitions and Communications (continued)

Representative O'Brien moved the adoption of the following **HR 181**:

HR 181. A RESOLUTION directing the Interim Joint Committee on Health and Welfare to study the certificate of need process for health facilities and health services.

WHEREAS, questions have been raised regarding the effectiveness of certificate of need laws and procedures in restraining the rate of increase in health care costs; and

WHEREAS, thirteen states have no certificate of need program in operation; and

WHEREAS, five states, Florida, Montana, Ohio, Oklahoma, and West Virginia, have established sunset dates for their certificate of need programs; and

WHEREAS, in February, 1988, the Federal Trade Commission released a report on state certificate of need laws which found that hospital costs are lower in states without a certificate of need program or with high capital expenditure review thresholds;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Interim Joint Committee on Health and Welfare is directed to study the certificate of need process for health facilities and health services.

Section 2. That the Interim Joint Committee on Health and Welfare shall submit a report and recommendations to the 1990 regular session of the Kentucky General Assembly.

Section 3. Staff services to be utilized in completing this study are estimated to cost \$10,000. These staff services shall be provided from the regular Commission budget and are subject to the limitations and other responsibilities of the Commission.

HR 181 was adopted by voice vote.

Representative Mason moved the adoption of Legislative Citation No. 103. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby congratulates and applauds FLEMING-NEON GIRLS' BASKETBALL TEAM for your outstanding season and the honor of being Champions of the 14th Region. Your hard work and competitive spirit have afforded you the privilege of representing your school in the Sweet Sixteen Tournament. This is especially noteworthy as you are the first

team from your school to participate in the State Tournament.

The House of Representatives joins Representative Paul Mason in commending you for the honor and pride you have bestowed on your school and your community.

Representative Stumbo moved that the rules be suspended to waive the three day posting requirement on the following Bills: **SB 275, SB 294, SB 355, SB 338, SB 343, SB 280, SB 212, SB 182, SB 171, SB 130.** Agreed.

Representative Stumbo moved that **SB 342** be reassigned to the Committee on Health and Welfare. Agreed.

Representative Stumbo moved that the rules be suspended for Introduction of Resolutions, Report of Committees and Posting of Bills and Resolutions for Consideration. Agreed.

Introduction of Resolutions

HR 184, by Representative Gregory: A RESOLUTION requesting the Legislative Research Commission to re-establish the Subcommittee on Veterans' Affairs.

Reference of Bills and Resolutions

The Clerk reported the Committee on Committees has referred the following Bills and Resolution:

Appropriations and Revenue: **SB 307.**

Business Organizations and Professions: **SB 353.**

Health and Welfare: **SB 318.**

Natural Resources and Environment: **SJR 84.**

State Government: **SB 171, SB 182.**

Report of Committees

The Committee on State Government reported **HB 549, HB 690** with Committee Amendment attached thereto, **HB 922, SB 119** with Committee Amendment attached thereto, **SB 210, SB 213, SB 215, SB 218, SB 222** with Committee Substitute attached thereto, **SB 225, SB 240,** and **SB 268** with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HB 549, AN ACT relating to hazardous positions.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 61.592 is amended to read as follows:

(1) "Hazardous position" means any position whose principal duties involve active law enforcement, (including the position of probation and parole officer), active fire suppression or prevention, or other positions, including but not limited to pilots of the transportation cabinet, with duties that require frequent exposure to a high degree of danger or peril and also require a high degree of physical conditioning. *Hazardous positions shall include positions in the corrections cabinet in state correctional institutions with duties that regularly and routinely require face-to-face contact with inmates.*

(2) Each employer may request hazardous duty coverage for those positions as defined in subsection (1) of this section. Upon request each employer shall certify to the board in the manner prescribed by the board, the names of all employees deemed by the employer to be working in a hazardous position as defined

in subsection (1) of this section. The certification of the employer shall bear the approval of the agent or agency responsible for the budget of the department or county indicating that the required employer contributions have been provided for in the budget of the employing department or county. The board shall determine whether the employees whose names have been certified by the employer are working in positions meeting the definition of a hazardous position as provided by subsection (1) of this section.

(3) (a) An employee determined by the board to be working in a hazardous position in accordance with subsection (2) of this section shall contribute for each pay period for which he receives compensation, seven percent (7%) of his creditable compensation;

(b) Each employer shall pay employer contributions based on the creditable compensation of the employees determined by the board to be working in a hazardous position at the employer contribution rate as determined by the board. Such rate will be determined by actuarial methods consistent with the provisions of KRS 61.565;

(c) In the event the employer participated in the system prior to electing hazardous duty coverage, then said employer may pay to the system an additional lump sum payment in order that the nonhazardous service be credited as hazardous service. Payments made by the employer under this subsection shall be deposited to the retirement allowance account of the proper retirement system and these funds shall not be considered accumulated contributions of the individual members. Should the employer elect not to make the additional payment, then the employee may make the lump sum payment in his own behalf or may pay in his own behalf in increments by payroll deduction each pay period prior to his retirement. Payments made by the employee under this subsection shall not be picked up, as described in KRS 61.560(4), by the employer. If neither the employer nor employee makes the payment, the service prior to hazardous coverage shall remain nonhazardous.

(4) The normal retirement age, retirement allowance and other benefits, eligibility requirements, rights and responsibilities of a member in a hazardous position, as prescribed by subsections (1), (2) and (3) of this section, and the responsibilities, rights and requirements of his employer shall be as prescribed for a member and employer participating in the state police retirement system as provided for by KRS 16.510 to 16.652, except the mandatory retirement provisions of KRS 16.576(1) and the maximum employment age in KRS 16.520(2) shall not be applicable.

(5) Any person employed in a hazardous position after July 1, 1972 shall be required to undergo a thorough medical examination by a licensed physician, and a copy of the medical report of the physician shall be retained on file by the employee's department or county and made available to the board upon request.

(6) In the event of doubt regarding the benefits payable to a hazardous position employee under this section, the board shall determine the benefits payable under KRS 61.515 to 61.705 or 78.520 to 78.852 or 16.510 to 16.652.

Section 2. KRS 196.160 is amended to read as follows:

(1) The secretary shall appoint a warden, a receiver and other necessary employees for each of the state penal and correctional institutions. The compensation of these officers and employees may include maintenance.

(2) *The cabinet shall make the contributions required by KRS 61.592 for participation in the hazardous duty retirement program by its employees in those positions in state correctional institutions with duties that regularly and routinely require face-to-face contact with inmates.*

HB 690, AN ACT relating to state police retirement.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 16.576 is amended to read as follows:

(1) A member shall terminate employment on his normal retirement date.

(2) Any member with at least five (5) years of service credit may retire at his normal retirement date, or subsequent thereto, upon written notification to the board, setting forth at what time the retirement is

to become effective, provided that such effective date shall be after his last day of service and subsequent to the filing of such notice.

(3) The member shall have the right to elect to have his retirement allowance payable under subsection (4), (5) or (7) of this section or any one (1) of the plans set forth in KRS 61.635.

(4) Effective August 1, 1986, the member may elect to receive an annual retirement allowance, payable monthly during his lifetime, equal to two and four-tenths percent (2.4%) of final compensation for each year of service credit. Effective August 1, 1986, a member of the county employees retirement system covered by this section may elect to receive an annual retirement allowance, payable monthly during his lifetime, equal to two and forty-five hundredths percent (2.45%) of final compensation for each year of service credit. The annual retirement allowance for a member covered by this section shall not exceed the maximum benefit as set forth in the Internal Revenue Code.

(5) The member may elect to receive a monthly retirement allowance payable for ten (10) years certain, actuarially equivalent to the retirement allowance payable under subsection (4) of this section. If the member should become deceased prior to the expiration of ten (10) years, his beneficiary shall receive the remaining payments monthly for the duration of the ten (10) years. The provisions of KRS 61.702 notwithstanding, the member who retired on June 17, 1978 or thereafter, and his spouse and dependents or beneficiary shall continue to receive the insurance benefits to which they are entitled pursuant to KRS 61.702 after the expiration of ten (10) years. *Effective September 1, 1988, a member who retired prior to June 17, 1978, and his spouse and dependents or beneficiary shall receive insurance benefits pursuant to KRS 61.702 in the same manner as those who retired on June 17, 1978 or thereafter.*

(6) Notwithstanding any other provisions of this section, upon written notification to the board, a member shall have the option to defer his election to receive his retirement allowance. The retirement allowance payable under a deferred option shall be increased to reflect the deferred receipt of benefits.

(7) In lieu of any other benefits due under KRS 16.505 to 16.652 a member who has attained age fifty-five (55) may elect to receive an annual retirement allowance, payable monthly or less frequently as determined by the board, which shall be determined by multiplying his accumulated contributions by two (2) and converting this amount to an annual retirement allowance based on an annuity rate adopted by the board which would pay the actuarial equivalent of twice his accumulated contributions over the lifetime of the retired member.

The Committee Amendment No. 1 to **HB 690** is as follows:

Amend printed copy of **HB 690** on page 2, lines 18 through 22, by deleting all of lines 18 through 22, and by substituting therefor the following: *"Effective with any insurance contract procured, or self-insurance plan instituted, after July 15, 1988, a member who retired prior to June 17, 1978, and his spouse and dependents or beneficiary shall receive insurance benefits pursuant to KRS 61.702 upon payment by the member or beneficiary, by such method as the board may specify, of the entire cost of the required insurance premium."*

HB 922. AN ACT relating to the board of claims.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 44.070 is amended to read as follows:

(1) A board of claims, composed of the members of the crime victims compensation board as hereinafter provided, is created and vested with full power and authority to investigate, hear proof, and to compensate persons for damages sustained to either person or property as a proximate result of negligence on the part of the Commonwealth, any of its cabinets, departments, bureaus or agencies, or any of its officers, agents or employees while acting within the scope of their employment by the Commonwealth or any of its cabinets, departments, bureaus or agencies; provided, however, regardless of any provision of law to the contrary, the Commonwealth, its cabinets, departments, bureaus and agencies, and its officers, agents and employees, while acting within the scope of their employment by the Commonwealth or any of its cabinets, departments, bureaus or agencies, shall not be liable for collateral or dependent claims which are dependent on loss to another and not the claimant, damages for mental distress or pain or suffering, and compensation shall not be allowed, awarded, or paid for said claims for damages. Furthermore, any damage claim awarded shall be reduced by the amount of payments received or right to receive payment from workers' compensation insurance, social security programs, unemployment insurance programs, ~~[medical, disability or life insurance programs]~~ or

other federal or state ~~or private~~ program designed to supplement income or pay claimant's expenses or damages incurred. Any claim against the Commonwealth, its departments, agencies, officers, agents or employees, or a school district board of education, its members, officers, agents or employees for damages sustained as the result of exposure to asbestos before, during or after its removal from a facility owned, leased, occupied or operated by the Commonwealth or a school district board of education shall be brought before the board of claims. Except as herein provided the board shall be independent of all agencies, cabinets and departments of the Commonwealth except as provided in KRS 44.070 to 44.160.

(2) The board shall be composed of the members of the crime victims compensation board. The members shall not be entitled to additional compensation for their services on the board of claims.

(3) The governor shall designate a member of the board to serve as chairman for a term of four (4) years. Any vacancy in the chairmanship shall be filled by the governor. No member shall, at the same time, serve as chairman of the crime victims compensation board and as chairman of the board of claims.

(4) The employees of the crime victims compensation board, without additional compensation, shall be ex officio employees of the board of claims.

(5) Regardless of any provision of law to the contrary, the jurisdiction of the board is exclusive, and a single claim for the recovery of money or a single award of money shall not exceed one hundred thousand dollars (\$100,000), exclusive of interest and costs. However, if a single act of negligence results in multiple claims, the total award may not exceed two hundred fifty thousand dollars (\$250,000) to be equitably divided among the claimants but in no case may any claimant individually receive more than one hundred thousand dollars (\$100,000).

(6) The governor shall appoint the necessary number of hearing officers each of whom shall be an attorney admitted to practice law in Kentucky and shall have practiced law for at least three (3) years. These officers, upon the direction of the chairman or the board shall conduct hearings, and otherwise supervise the presentation of evidence and perform any other duties assigned to them by the chairman or the board except that such hearing officers shall not render final decisions, orders, or awards. However, such hearing officers may, in receiving evidence on behalf of the board, make such rulings affecting the competency, relevancy, and materiality of the evidence about to be presented and upon motions presented during the taking of evidence as will expedite the preparation of the case.

(7) The board may at any time recommend the removal of any hearing officer upon filing with the governor a full written statement of its reasons for such removal.

(8) Upon recommendation to the board by the attorney for the Commonwealth, its cabinet, department, bureau, agency or employee thereof, that a settlement has been reached between the parties to the claim, and upon approval by the board that the settlement is reasonable for all parties concerned, the agreed judgment or dismissal may be entered accordingly, even without a party's admission to liability.

SB 119, AN ACT relating to the classified service and declaring an emergency.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 18A IS CREATED TO READ AS FOLLOWS:

(1) All federally funded time-limited employees of the executive department of government shall be tested for the positions they occupied December 15, 1987. Those employees scoring at least seventy (70) on such tests shall automatically be appointed to the classified service upon certification of such scores by the commissioner.

(2) Employees grandfathered into the classified service under the provisions of subsection (1) of this section shall serve an initial probationary period, and shall continue to receive the same rate of pay they were receiving prior to their appointments to the classified service.

Section 2. KRS 18A.005 is amended to read as follows:

As used in this chapter, unless the context indicates otherwise:

(1) "Appointing authority" means the agency head or any person whom he has authorized by law to designate to act on behalf of the agency with respect to employee appointments, position establishments, payroll documents, register requests, waiver requests, requests for certification or other position actions. Such designation shall be in writing and signed by both the agency head and his designee. Prior to the exercise of appointing authority, such designation shall be filed with the commissioner;

(2) "Base salary or wages," means the compensation to which an employee is entitled under the salary schedules adopted pursuant to the provisions of KRS 18A.030 and 18A.110. Base salary or wages shall be adjusted as provided under the provisions of KRS 18A.355 and 48.130;

(3) "Board" means the personnel board created by KRS 18A.045;

(4) "Career employee" shall mean a state employee with sixteen (16) or more years of permanent full-time state service, or the part-time employment equivalent of at least sixteen (16) years of full-time state service. The service may have been in the classified service, the unclassified service, or a combination thereof;

(5) "Certification" means the referral of the name of one (1) or more qualified prospective employees by the commissioner on request of an appointing officer for consideration in filling a position in the classified service;

(6) "Class" means a group of positions sufficiently similar as to duties performed, scope of discretion and responsibility, minimum requirements of training, experience, or skill; and such other characteristics that the same title, the same tests of fitness, and the same schedule of compensation have been or may be applied to each position in the group;

(7) "Classified service" includes all the employment subject to the terms of this chapter except for those positions expressly cited in KRS 18A.115; a "classified position" is a position in the classified service;

(8) "Commissioner" means the commissioner of the department of personnel as provided for in KRS 18A.015;

(9) "Demotion" means a change in the rank of an employee from a position in one (1) class to a position in another class having a lower minimum salary range or less discretion or responsibility;

(10) "Department" means the department of personnel provided for in KRS 18A.015 unless the context indicates otherwise;

(11) "Eligible" refers to a person who has made a passing score on any examination required under KRS 18A.005 to 18A.200 and who has qualified to be placed on a register;

(12) "Emergency employee" means an employee appointed without regard to the examination requirements of KRS 18A.005 to 18A.200 to any position by reason of a governmental emergency. An emergency appointment shall not exceed thirty (30) working days in duration and is nonrenewable;

(13) "Employee" means a person regularly appointed to a position in the state service for which he is compensated on a full-time or part-time basis;

(14) "Federally funded time-limited employee" means an employee appointed to a federally funded time-limited position and, except as provided in KRS 18A.115, may in all other respects be entitled to the benefits provided permanent, full-time regular employees as defined in this chapter;

(15) "Federally funded time-limited position" means a position created for a [the specific purpose of providing public service employment or] one-time special or research project [services] for a limited period of time and shall not exceed the period of time for which that specific federal funding is provided;

(16) "Initial probation" means the period of service following initial appointment to any position under KRS 18A.005 to 18A.200 which requires special observation and evaluation of an employee's work and which must be passed successfully before status may be conferred as provided in KRS 18A.110 and by the provisions of this chapter. "Initial probation" does not include a probationary period served by a laid-off employee who

accepts a bona fide written offer of appointment;

(17) "Penalization" shall include, but not be limited to, demotion, dismissal, suspension, fines and other disciplinary actions, involuntary transfers; salary adjustments; any action that diminishes the level, rank, discretion or responsibility of an employee without proper cause, including a reclassification or reallocation; and the abridgement or denial of other rights granted to state employees;

(18) "Position" means an office or employment in an agency (whether part-time, full-time, permanent, temporary, seasonal, federally funded time-limited, or emergency, occupied or vacant) involving duties requiring the services of one (1) person;

(19) "Promotion" means a change of rank of an employee from a position in one (1) class to a position in another class having a higher minimum salary or carrying a greater scope of discretion or responsibility;

(20) "Promotional probation" means the six (6) month period of service following the promotion of an employee with status which must be successfully completed in order for the employee to retain the position to which he has been promoted;

(21) "Provisional employee" means any employee appointed on a temporary or interim basis to a permanent position under KRS 18A.005 to 18A.200 without examination, such appointment being made necessary by the absence of a register for the position involved and by the time limitations and prohibition on renewal as defined in KRS 18A.110(5)(h);

(22) "Reallocation" means the correction of the classification of an existing position by placement of the position into the classification that is appropriate for the duties the employee has been and shall continue to perform;

(23) "Reclassification" shall mean the change in the classification of an employee when a material and permanent change in the duties or responsibilities of that employee occurs;

(24) "Reemployment" shall mean the rehiring of an employee with status who has been laid off;

(25) "Reemployment register" means the separate list of names of persons who have been separated from state service by reason of layoff. Reemployment registers shall be used as provided by the provisions of KRS 18A.110, 18A.130, and 18A.135;

(26) "Register" means any official list of eligibles for a particular class and, except as provided in this chapter, placed in rank order according to the examination scores maintained for use in making original appointments or promotions to positions in the classified service;

(27) "Reinstatement" shall mean the restoration of an employee who has resigned in good standing, or who has been ordered reinstated by the board or a court to a position in his former class, or to a position of like status and pay;

(28) "Seasonal employee" means an employee appointed to a seasonal position;

(29) "Seasonal position" means a position that is temporary, coincides with a particular season or seasons of the year, and does not exceed eleven (11) months duration;

(30) "Seniority" means the total number of months of state service;

(31) "Status" means the acquisition of tenure with all rights and privileges granted by the provisions of this chapter after satisfactory completion of the initial probationary period by an employee in the classified service;

(32) "Temporary employee" means an employee appointed to a temporary position;

(33) "Temporary position" means a position that is created for a definite period of time not to exceed

six (6) months and not renewable;

(34) "Transfer" means a movement of any employe from one (1) position to another of the same grade having the same salary ranges, the same level of responsibility within the classified service and the same salary received immediately prior to transfer;

(35) A "war veteran" is a person who served on active duty in the United States armed forces during any war, or in a campaign or expedition for which a campaign badge or service medal has been authorized, or between December 7, 1941, and July 1, 1955 or between August 6, 1964 and May 7, 1975.

Section 3. KRS 18A.010 is amended to read as follows:

(1) The general purpose of KRS 18A.005 to 18A.200 is to establish for the state a system of personnel administration based on merit principles and scientific methods governing the recruitment, examination, appointment, promotion, transfer, lay-off, removal, discipline, and welfare of its classified employes and other incidents of state employment. All appointments and promotions to positions in the state classified service shall be made solely on the basis of merit and fitness, to be ascertained by competitive examination, except as hereinafter specified. The general assembly finds that this chapter is necessary in order to improve the morale and motivation of state employes and to gain the maximum utilization of human resources in order to provide better service to the citizens of this Commonwealth.

(2) The total number of permanent full-time personnel employed in agencies of the executive *department of government* [branch] shall not exceed *the number identified in the budget document enacted pursuant to the provisions of KRS Chapters 45 and 48* [thirty-three thousand (33,000)].

(3) The provisions of subsection (2) of this section do not apply to employes of the general assembly, the legislative research commission or the court of justice.

Section 4. KRS 18A.032 is amended to read as follows:

(1) Except as provided by the provisions of this chapter, the commissioner may refuse to examine an applicant; or, after examination, may disqualify an applicant, remove his name from a register, refuse to certify any eligible on a register, or may consult with the appointing authority in taking steps to remove such person already appointed if:

(a) It is found that he does not meet any one (1) of the preliminary requirements established for the examination for the class of position;

(b) He is unable to perform the duties of the class;

(c) He has made a false statement of material fact in his application;

(d) He has used or attempted to use political pressure or bribery to secure an advantage in the examination;

(e) He has directly or indirectly obtained information regarding the examination to which, as an applicant, he was not entitled;

(f) He has failed to submit his application correctly or within the prescribed time limits;

(g) He has taken part in the compilation, administration, or correction of the examination for which he is an applicant;

(h) He has previously been dismissed from a position in the state service for cause or has resigned while charges for dismissal for cause of which he had knowledge were pending;

(i) He has been convicted of a felony within the preceding five (5) years and his civil rights have not been restored or he has not been pardoned by the governor;

(j) He has been convicted of a job related misdemeanor, except that convictions for violations of traffic regulations shall not constitute grounds for disqualification; or

(k) He has otherwise willfully violated the provisions of this chapter.

(2) An eligible may be removed from a register:

(a) If the eligible cannot be located by postal authorities at the last address provided by the eligible;

(b) If the eligible responds in writing that he no longer desires consideration for position in that class;

(c) If the eligible declines an offer of probationary appointment to the class for which the register was established;

(d) If it is shown that the eligible is not qualified or is unsuitable for appointment to the class for which the register is established;

(e) If the eligible fails to reply within a period of ten (10) calendar days of the receipt of the written request of the appointing authority for an interview, or fails to appear for an interview which he has scheduled with the appointing authority without good cause;

(f) If the eligible accepts an appointment and fails to present himself for duty at the time and place agreed to without giving reasons for the delay satisfactory to the appointing authority; or

(g) If the eligible states in writing that he is not available for appointment or does not wish to be considered for appointment.

(3) When an eligible notifies the department in writing that he is unavailable for employment or employment consideration, the department may remove the name of that eligible from the appropriate register without further notification to the person.

(4) When the department is notified in writing by an appointing authority that an eligible has accepted a bona fide offer of probationary appointment to any position, effective on a specified date, his name may be removed from the register for all classes for which the maximum salary is the same or less than that of the class to which he has been appointed.

[(5) In determining whether a state employee meets the minimum requirements for experience required for a job classification, the department shall consider only the experience gained during permanent full-time state employment.]

Section 5. Whereas all state employees, except those with permanent full-time appointments, are being penalized because the Department of Personnel is prohibited from considering their job experience, an emergency is declared to exist, and this Act shall become effective upon its passage and approval by the Governor.

The Committee Amendment No. 1 to **SB 119** is as follows:

Amend printed copy of **SB 119** on page 4, line 14, by deleting the second "a" and inserting in lieu thereof the words "*which specific federal funding has been provided for a limited period of time to provide governmental services through state agencies. The*"; and

On line 15, by bracketing and striking through the words "one time special"; and

On line 16, by bracketing and striking through the words "or research" and by bracketing and striking through the words "for a limited period of"; and

On line 17, by bracketing and striking through the words "time and"; and

On line 18 by adding after the word "provided" the words ". No other type of position filled prior to or on the effective date of this Act with an appointee or an employee who is to be or is being paid either partially or totally with federal funds shall be reallocated to or reclassified as a federally funded time-limited position" and

On page 6, line 11, by bracketing and striking through the words "an employee" and inserting in lieu thereof the words "a position"; and

On line 12, by bracketing and striking through the word "employee" and inserting in lieu thereof the word "position".

SB 210, AN ACT relating to reorganization.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. The General Assembly confirms Executive Reorganization Order 87-797, which abolished the North American International Livestock Exposition Division as a separate division and transferred the entire program to the Exposition Division of the State Fair Board.

SB 213, AN ACT relating to reorganization.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. The General Assembly hereby confirms executive order 86-335 creating and establishing the office of personnel management within the cabinet for human resources, and abolishing the division of personnel management within the cabinet.

SB 215, AN ACT relating to reorganization.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. The General Assembly confirms Executive Reorganization Order 86-948, which abolishes the Division of Budget within the Department of Fiscal Management and creates the Office of Policy and Budget of the Transportation Cabinet.

SB 218, AN ACT relating to corrections.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 197 IS CREATED TO READ AS FOLLOWS:

As used in this Act unless the context otherwise requires:

(1) "Cabinet" means the corrections cabinet;

(2) "Adult correctional facility" means an adult male penal or correctional facility for the exclusive confinement of sentenced adult male felons who have been classified by the cabinet to be minimum security inmates and shall include any prison, reformatory, farm center, forestry camp, or similar institution which houses minimum security sentenced adult male felons. For purposes of this Act, a county or regional jail shall not be considered an adult correctional facility; and

(3) "Private provider" means a private legal entity authorized to do business in the Commonwealth and which is in the business of establishing, operating and managing adult correctional facilities.

SECTION 2. A NEW SECTION OF KRS CHAPTER 197 IS CREATED TO READ AS FOLLOWS:

(1) The state may enter into contracts with a private provider to establish, operate and manage adult

correctional facilities. In all such contracts the state shall retain clear supervisory and monitoring powers over the operation and management of the adult correctional facility to insure that the inmates are properly cared for and that the employes of the facility and the public are adequately protected.

(2) No inmate who is ineligible to be worked or released outside the walls of the prison pursuant to KRS 197.140 shall be placed in an adult correctional facility that has been contracted for pursuant to this Act.

(3) Any adult correctional facility contracted for pursuant to this Act shall be constructed only in a county with an established Kentucky state police post or in a county in which at least two (2) state police officers reside as a result of a duty assignment or in a county with a full-time police department.

SECTION 3. A NEW SECTION OF KRS CHAPTER 197 IS CREATED TO READ AS FOLLOWS:

Any contract entered on or after the effective date of this Act between the state and a private provider for the operation and management of an adult correctional facility shall include terms which comply with at least the following:

(1) Unless otherwise provided by this Act, any adult correctional facility contracted for pursuant to this Act shall submit a plan to the corrections cabinet for achieving American correctional association standards within five (5) years which are appropriate for the specific type of adult correctional facility.

(2) The provisions of KRS Chapter 45A shall apply to any contract or any proposal for a contract authorized by this Act for an adult correctional facility.

(3) The adult correctional facility shall prepare an annual written budget of anticipated revenues and expenditures which is approved by the appropriate governing authority. The facility shall have written policies which govern revisions in the budget. The facility shall have a fiscal system which accounts for all income and expenditures on an on-going basis.

(4) The adult correctional facility shall prepare and distribute to its governing authority and appropriate agencies including the corrections cabinet, at a minimum, the following documents: annual budget income and expenditure statements; funding source financial reports; and annual independent audit report.

(5) The adult correctional facility shall have written fiscal policies and procedures adopted by the governing authority which include at a minimum: internal controls; petty cash; bonding; signature control on checks; resident funds; and employe expense reimbursement.

(6) There shall be an annual independent audit of the adult correctional facility. The facility shall have a written policy for inventory control of all property and assets. The facility shall have a written policy for purchasing and requisitioning supplies and equipment. The facility shall use a method which documents and authorizes wage payment to employes and consultants.

(7) The private provider shall develop and implement a plan for the dissemination of information about the adult correctional facility to the public, government agencies and the media. The plan shall be made available to all persons. All documents and records, except financial records, maintained by the private provider shall be deemed public records as defined by KRS 61.870 and be subject to the provisions of KRS 61.872 to 61.884.

(8) The adult correctional facility shall conform to all applicable zoning ordinances. The adult correctional facility shall conform to all applicable state and local building codes including the Kentucky building code, 1983 edition and subsequent modifications or replacements thereto.

(9) The adult correctional facility shall comply with all applicable laws and regulations of the local and state government regarding sanitation, food service, safety and health. Copies of inspections completed by the appropriate authorities shall be sent to the corrections cabinet.

(10) The adult correctional facility shall comply with the provisions of the life safety code, 1983 edition, national fire protection association 101 and the regulations of the state or the local fire safety authority, whichever has primary jurisdiction over the adult correctional facility. Copies of the inspections completed by the appropriate authorities shall be sent to the cabinet.

(11) A minimum of sixty (60) square feet of floor space per resident shall be provided in the sleeping area of the adult correctional facility. Other areas to be provided shall include space and furnishing to accommodate group meetings of the residents, private counseling space with adequate furniture, and a visiting area.

(12) The adult correctional facility shall provide a variety of indoor and outdoor recreational and leisure time activities to include but not be limited to: television, radio, library materials and recreational facilities. Telephone facilities shall be available on the premises, which are accessible to residents.

(13) The adult correctional facility shall be staffed twenty-four (24) hours per day seven (7) days per week. The staffing pattern shall be adequate to insure close inmate surveillance and maintenance of security within the facility. The staffing pattern shall address the program, transportation, and security needs of the facility. In determining security need, the proximity of the facility to neighborhood and schools shall be considered.

(14) The adult correctional facility shall have a written personnel policy and employees shall be given a copy. The personnel policies shall include, at a minimum:

- (a) Organization chart;
- (b) Employment practices and procedures including in-service training and staff developing;
- (c) Promotions;
- (d) Job qualifications and job descriptions;
- (e) Grievance and appeal procedures;
- (f) Employee evaluation;
- (g) Personnel records;
- (h) Benefits;
- (i) Holidays;
- (j) Leave;
- (k) Hours of work;
- (l) Salaries (or the base for determining salaries);
- (m) Disciplinary procedures;
- (n) Termination; and
- (o) Resignation.

(15) The adult correctional facility shall maintain written job descriptions and job qualifications for all positions in the facility including: job title, responsibilities of the positions, required minimum experience and education. An affirmative action program shall be adopted by the governing authority. The correctional facility shall maintain a current, accurate and confidential personnel record on each employee. The facility shall have written policy and procedures requiring an annual performance evaluation of all employees. This evaluation shall be reviewed and discussed with the employee.

(16) Prior to employment, all employees of the adult correctional facility shall be subject to thorough background investigation to include criminal, medical and employment history. All security employees of the facility shall be at least twenty-one (21) years of age. The facility shall provide initial orientation for all new employees during the first week of employment. The facility shall comply with all governmental regulatory requirements related

to employment and personnel practices. Personnel selection and assignments shall be based on merit.

(17) The administrator of the adult correctional facility shall have a minimum of five (5) years experience in corrections or law enforcement and five (5) years experience in administration. The remaining staff of the facility shall have the same qualifications and training as the staff employed in similar positions in adult correctional facilities operated by the corrections cabinet.

(18) The adult correctional facility shall provide the following services and programs, the extent to which shall be set forth in the contract between the state and the private provider but shall be consistent with the standards of the American correctional association:

- (a) Health and medical services;*
- (b) Food services;*
- (c) Mail, telephone use, and visitation;*
- (d) Access to legal services and legal materials;*
- (e) Vocational training;*
- (f) Educational programs;*
- (g) Counseling services including personal counseling;*
- (h) Drug and alcohol counseling; and*
- (i) Sanitation services.*

(19) The adult correctional facility shall have a written fire and emergency plan for the facility which shall be communicated to all employes and inmates and updated, if needed. The facility's written emergency plan shall be conspicuously posted in the facility. The facility staff shall document the conduct of quarterly emergency drills.

(20) The adult correctional facility shall have a written policy restricting the use of physical force to instances of justifiable self-protection, prevention of property damage and prevention of escapes, and only to the degree necessary. In compliance with applicable laws, the facility shall maintain and make public written policies and procedures for conducting searches of residents and all areas of the facility to control contraband and locate missing or stolen property. The facility shall have a written plan to control movement in and out of the facility. The facility shall have written procedures to account for the whereabouts of the residents at all times.

(21) The adult correctional facility shall establish a procedure for inspecting all facility areas accessible to inmates for contraband and physical security at least weekly. Isolated security spot checks shall be conducted daily. Items considered as contraband or items permitted in the facility shall be clearly defined in the facility's rules.

(22) The adult correctional facility shall report all suspected felonies to the Kentucky state police for investigation. A written report shall be made of all extraordinary or unusual occurrences within twenty-four (24) hours of the occurrence. This report shall be placed in the inmate's folder and a copy forwarded to the corrections cabinet. All such occurrences shall be promptly reported to the cabinet verbally prior to submission of the written report. Extraordinary or unusual occurrences shall include, but not be limited to:

- (a) Death of a resident;*
- (b) Attempted suicide or suicide;*
- (c) Serious injury, whether accidental or self-inflicted;*

- (d) Attempted escape or escape from confinement;*
- (e) Fire;*
- (f) Riot;*
- (g) Battery, whether by a staff member or resident;*
- (h) Sexual assaults; and*
- (i) Occurrence of contagious or infectious disease, or illness within the facility.*

(23) Each adult correctional facility shall have written policy and procedures for emergency situations including but not limited to:

- (a) Escapes;*
- (b) Taking of hostages;*
- (c) Riots;*
- (d) Food poisoning;*
- (e) Civil disturbances in the community;*
- (f) Natural disaster;*
- (g) Suicides; and*
- (h) Other deaths and disorder.*

(24) The adult correctional facility shall adopt written policy and procedures which shall insure that the constitutional rights of inmates to voluntarily practice their own religious activities are protected subject only to those limitations necessary to maintain order and security of the facility.

(25) The adult correctional facility shall adopt a written policy which shall be implemented to insure that no inmate or group of inmates is in a position of control or authority over other inmates.

(26) The adult correctional facility shall have a policy and procedure for recommending awarding of meritorious good time for inmates in accordance with policies and procedures of the cabinet. The procedures shall include formation of a committee to include an administrator to screen all recommendations. The recommendations shall be sent to the corrections cabinet. Recommendations for restoration of good time shall be screened by the same committee and forwarded to the corrections cabinet.

(27) If the adult correctional facility operates a canteen, all profits must be spent for recreational programs for inmates. Prices shall be in accordance with those established by the corrections cabinet inmate canteen board.

(28) The corrections cabinet shall have the authority to conduct periodic, scheduled and unannounced inspections of the adult correctional facility during the term of the contract. The cabinet shall generally observe and monitor the operations of the adult correctional facility at least once per week.

(29) The contract shall provide a hold harmless clause whereby the private provider agrees to indemnify, defend and hold harmless the commonwealth, its officers, agents, and employees from:

- (a) Any claims or losses for service rendered by the private provider, person, or firm performing or supplying services in connection with performance of the contract;*

(b) Any claims or losses to any person or firm injured or damaged by the erroneous or negligent acts of the private provider, its officers or employees in the performance of the contract;

(c) Any claims or losses resulting to any person or firm injured or damaged by the private provider, its officers or employees by the publication, translation, reproduction, delivery, performance, use or disposition of any data processed under the contract in a manner not authorized by the contract, or by federal or commonwealth regulations or statutes; and

(d) Any failure of the private provider, its officers or employees to observe Kentucky laws, including but not limited to labor laws and minimum wage laws.

(30) The contract shall require that the private provider give a performance bond to the Commonwealth as obligee, in form satisfactory to the Commonwealth, executed by a surety company authorized to do business in Kentucky and in the penal sum of equal to: seventy percent (70%) multiplied by the maximum number of inmates to be housed in the adult correctional facility multiplied by 365 and further multiplied by the rate to be paid the private provider per inmate per day.

(31) The private provider shall provide public liability, property damage and workmen's compensation insurance, insuring as they may appear, the interest of all parties of agreement against any and all claims which may arise out of the private provider's operations under the terms of this contract. In the event any carrier of such insurance exercises cancellation, notice shall be made immediately to the Commonwealth of such cancellation.

SECTION 4. A NEW SECTION OF KRS CHAPTER 197 IS CREATED TO READ AS FOLLOWS:

The corrections cabinet shall annually conduct a performance evaluation of any adult correctional facility for which a private provider has contracted to operate. The cabinet shall make a written report of its findings and submit this report along with any recommendations to the private provider and the legislative research commission.

SECTION 5. A NEW SECTION OF KRS CHAPTER 197 IS CREATED TO READ AS FOLLOWS:

In order for a private provider to enter into a contract with the state for the establishment, operation or management of an adult correctional facility, it shall submit to the state specific documentation that it has demonstrated experience in the establishment, operation or management of adult correctional facilities.

SECTION 6. A NEW SECTION OF KRS CHAPTER 197 IS CREATED TO READ AS FOLLOWS:

(1) In any provision of this Act which requires the private provider or adult correctional facility to establish or implement a policy or procedure governing a particular activity or duty, the cabinet shall first approve the policy or procedure before it shall become effective.

(2) Consistent with the provisions of this Act, the cabinet shall promulgate administrative regulations governing the standards, operation and management of adult correctional facilities which may be contracted for pursuant to this Act.

SB 222, AN ACT relating to the Kentucky State Corrections Commission.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 196 IS CREATED TO READ AS FOLLOWS:

To facilitate the need for comprehensive planning for the corrections cabinet and for related matters the Kentucky state corrections commission is hereby created. The commission shall consist of eight (8) members as follows:

(1) The attorney general;

- (2) *The secretary of the justice cabinet;*
- (3) *The secretary of the corrections cabinet;*
- (4) *A representative of the Kentucky jailers association chosen by the governor from a list of three (3) submitted by the Kentucky jailers association;*
- (5) *A circuit judge chosen by the governor from a list of three (3) submitted by the chief justice;*
- (6) *Two (2) criminal justice professionals who are familiar with correctional research, theory and program implementation, appointed by the governor; and*
- (7) *A representative from a law enforcement agency, appointed by the governor.*

SECTION 2. A NEW SECTION OF KRS CHAPTER 196 IS CREATED TO READ AS FOLLOWS:

- (1) *The terms of those representatives appointed by the governor shall be three (3) years. These members serve at the pleasure of the governor and are eligible for reappointment. If there is a vacancy, the governor shall immediately make an appointment effective for the unexpired term.*
- (2) *The governor shall appoint a chairperson of the corrections commission from among its members, but not the secretary of the corrections cabinet. The members of the commission shall elect from among its members a vice chairperson who shall preside and exercise the functions of chairperson during absence or disability of the chairperson.*
- (3) *Regular meetings of the commission shall be held at least once every month at a place, day and hour determined by the commission. Special meetings shall be held when needed as determined by the chairperson. If four (4) or more members of the commission request in writing that the chairperson designate a time for a special meeting, the chairperson shall comply within reason.*
- (4) *Members of the commission shall receive reimbursement for his necessary expenses for attendance at official commission meetings or public hearings. The commission shall be staffed by a director and other staff necessary to carry out its functions and responsibilities.*

SECTION 3. A NEW SECTION OF KRS CHAPTER 196 IS CREATED TO READ AS FOLLOWS:

The commission shall:

- (1) *Propose a five (5) year plan for the corrections cabinet. This shall include both a programmatic and capital construction plan;*
- (2) *Submit the five (5) year plan for approval to the general assembly during their next regular session;*
- (3) *Review legislative proposals including budget requests from the cabinet to insure consistency with the five (5) year plan;*
- (4) *Continually alter and monitor this five (5) year plan, if necessary;*
- (5) *As necessary, develop and approve new five (5) year plans so that a standing five (5) year plan is continuously operational.*

SECTION 4. A NEW SECTION OF KRS CHAPTER 196 IS CREATED TO READ AS FOLLOWS:

- (1) *This plan shall be developed with input from numerous public and private agencies as well as public citizens with a vested interest in corrections;*
- (2) *This plan shall act as a blueprint for decisions concerning the appropriations, policies and procedures,*

and operation of state, regional and local corrections;

(3) All correctional programs, policies, procedures, and standard operating procedures shall be consistent with this plan;

(4) All new facilities or renovations of current facilities shall be consistent with this plan;

(5) The corrections cabinet shall regularly report to the commission its progress in meeting the designs of this five (5) year plan;

(6) Any change in programs policy and procedure, classification or other components of corrections that significantly affects its operations shall be reviewed by this commission before implementation.

SECTION 5. A NEW SECTION OF KRS CHAPTER 196 IS CREATED TO READ AS FOLLOWS:

(1) The commission shall review legislative impact statements prepared by corrections and provide input if deemed necessary;

(2) The commission shall make recommendations to the governor and general assembly concerning correctional legislation as well as legislation such as, but not limited to, sentencing and parole legislation which impacts corrections;

(3) The commission shall be funded by part of the funds appropriated for the corrections cabinet planning and evaluation branch.

Section 6. The following KRS sections are repealed:

439.302 Commission on correction and community service — Appointment — Terms — Expenses.

439.304 Meetings, powers and duties of commission.

439.306 Authority of commission and members.

The Committee Substitute to **SB 222** is as follows:

SB 222. AN ACT relating to the Kentucky State Corrections Commission.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 196 IS CREATED TO READ AS FOLLOWS:

To facilitate the need for comprehensive planning for the corrections cabinet and for related matters the Kentucky state corrections commission is hereby created. The commission shall consist of eleven (11) members as follows:

(1) The attorney general;

(2) The secretary of the justice cabinet;

(3) The secretary of the corrections cabinet;

(4) A representative of the Kentucky jailers association chosen by the governor from a list of three (3) submitted by the Kentucky jailers association;

(5) A circuit judge chosen by the governor from a list of three (3) submitted by the chief justice;

(6) *Two (2) criminal justice professionals who are familiar with correctional research, theory and program implementation, appointed by the governor;*

(7) *A representative from a law enforcement agency, appointed by the governor; and*

(8) *Three (3) Kentucky citizens at large, appointed by the governor.*

SECTION 2. A NEW SECTION OF KRS CHAPTER 196 IS CREATED TO READ AS FOLLOWS:

(1) *The terms of those representatives appointed by the governor shall be three (3) years. These members serve at the pleasure of the governor and are eligible for reappointment. If there is a vacancy, the governor shall immediately make an appointment effective for the unexpired term.*

(2) *The governor shall appoint a chairperson of the corrections commission from among its members, but not the secretary of the corrections cabinet. The members of the commission shall elect from among its members a vice chairperson who shall preside and exercise the functions of chairperson during absence or disability of the chairperson.*

(3) *Regular meetings of the commission shall be held at least once every month at a place, day and hour determined by the commission. Special meetings shall be held when needed as determined by the chairperson. If four (4) or more members of the commission request in writing that the chairperson designate a time for a special meeting, the chairperson shall comply within reason.*

(4) *Members of the commission shall receive reimbursement for his necessary expenses for attendance at official commission meetings or public hearings. The commission shall be staffed by a director and other staff necessary to carry out its functions and responsibilities.*

SECTION 3. A NEW SECTION OF KRS CHAPTER 196 IS CREATED TO READ AS FOLLOWS:

The commission shall:

(1) *Propose a five (5) year plan for the corrections cabinet. This shall include both a programmatic and capital construction plan;*

(2) *Submit the five (5) year plan for approval to the general assembly during their next regular session;*

(3) *Review legislative proposals including budget requests from the cabinet to insure consistency with the five (5) year plan;*

(4) *Continually alter and monitor this five (5) year plan, if necessary;*

(5) *As necessary, develop and approve new five (5) year plans so that a standing five (5) year plan is continuously operational.*

SECTION 4. A NEW SECTION OF KRS CHAPTER 196 IS CREATED TO READ AS FOLLOWS:

(1) *This plan shall be developed with input from numerous public and private agencies as well as public citizens with a vested interest in corrections;*

(2) *This plan shall act as a blueprint for decisions concerning the appropriations, policies and procedures, and operation of state, regional and local corrections;*

(3) *All correctional programs, policies, procedures, and standard operating procedures shall be consistent with this plan;*

(4) *All new facilities or renovations of current facilities shall be consistent with this plan;*

(5) *The corrections cabinet shall regularly report to the commission its progress in meeting the designs of this five (5) year plan;*

(6) *Any change in programs policy and procedure, classification or other components of corrections that significantly affects its operations shall be reviewed by this commission before implementation.*

SECTION 5. A NEW SECTION OF KRS CHAPTER 196 IS CREATED TO READ AS FOLLOWS:

(1) *The commission shall review legislative impact statements prepared by corrections and provide input if deemed necessary;*

(2) *The commission shall make recommendations to the governor and general assembly concerning correctional legislation as well as legislation such as, but not limited to, sentencing and parole legislation which impacts corrections;*

(3) *The commission shall be funded by part of the funds appropriated for the corrections cabinet planning and evaluation branch.*

Section 6. The following KRS sections are repealed:

439.302 Commission on correction and community service — Appointment — Terms — Expenses.

439.304 Meetings, powers and duties of commission.

439.306 Authority of commission and members.

SB 225. AN ACT relating to state personnel.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 18A.005 is amended to read as follows:

As used in this chapter, unless the context indicates otherwise:

(1) "Appointing authority" means the agency head or any person whom he has authorized by law to designate to act on behalf of the agency with respect to employe appointments, position establishments, payroll documents, register requests, waiver requests, requests for certification or other position actions. Such designation shall be in writing and signed by both the agency head and his designee. Prior to the exercise of appointing authority, such designation shall be filed with the commissioner;

(2) "Base salary or wages" means the compensation to which an employe is entitled under the salary schedules adopted pursuant to the provisions of KRS 18A.030 and 18A.110. Base salary or wages shall be adjusted as provided under the provisions of KRS 18A.355 and 48.130;

(3) "Board" means the personnel board created by KRS 18A.045;

(4) "Career employe" shall mean a state employe with sixteen (16) or more years of permanent full-time state service, or the part-time employment equivalent of at least sixteen (16) years of full-time state service. The service may have been in the classified service, the unclassified service, or a combination thereof;

(5) "Certification" means the referral of the name of one (1) or more qualified prospective employes by the commissioner on request of an appointing officer for consideration in filling a position in the classified service;

(6) "Class" means a group of positions sufficiently similar as to duties performed, scope of discretion and responsibility, minimum requirements of training, experience, or skill, and such other characteristics that the same title, the same tests of fitness, and the same schedule of compensation have been or may be

applied to each position in the group;

(7) "Classified service" includes all the employment subject to the terms of this chapter except for those positions expressly cited in KRS 18A.115; a "classified position" is a position in the classified service;

(8) "Commissioner" means the commissioner of the department of personnel as provided for in KRS 18A.015;

(9) "Demotion" means a change in the rank of an employee from a position in one (1) class to a position in another class having a lower minimum salary range or less discretion or responsibility;

(10) "Department" means the department of personnel provided for in KRS 18A.015 unless the context indicates otherwise;

(11) "Eligible" refers to a person who has made a passing score on any examination required under KRS 18A.005 to 18A.200 and who has qualified to be placed on a register;

(12) "Emergency employee" means an employee appointed without regard to the examination requirements of KRS 18A.005 to 18A.200 to any position by reason of a governmental emergency. An emergency appointment shall not exceed thirty (30) working days in duration and is nonrenewable;

(13) "Employee" means a person regularly appointed to a position in the state service for which he is compensated on a full-time or part-time basis;

(14) "Federally funded time-limited employee" means an employee appointed to a federally funded time-limited position and, except as provided in KRS 18A.115, may in all other respects be entitled to the benefits provided permanent, full-time regular employees as defined in this chapter;

(15) "Federally funded time-limited position" means a position created for the specific purpose of providing public service employment or one-time special or research project services for a limited period of time and shall not exceed the period of time for which that specific federal funding is provided;

(16) "Initial probation" means the period of service following initial appointment to any position under KRS 18A.005 to 18A.200 which requires special observation and evaluation of an employee's work and which must be passed successfully before status may be conferred as provided in KRS 18A.110 and by the provisions of this chapter. *If the appointee is granted leave in excess of twenty (20) consecutive work days during this period, his initial probation shall be extended for the same length of time as the granted leave to cover such absence.* "Initial probation" does not include a probationary period served by a laid-off employee who accepts a bona fide written offer of appointment;

(17) "Penalization" shall include, but not be limited to, demotion, dismissal, suspension, fines and other disciplinary actions, involuntary transfers; salary adjustments; any action that diminishes the level, rank, discretion or responsibility of an employee without proper cause, including a reclassification or reallocation; and the abridgement or denial of other rights granted to state employees;

(18) "Position" means an office or employment in an agency (whether part-time, full-time, permanent, temporary, seasonal, federally funded time-limited, or emergency, occupied or vacant) involving duties requiring the services of one (1) person;

(19) "Promotion" means a change of rank of an employee from a position in one (1) class to a position in another class having a higher minimum salary or carrying a greater scope of discretion or responsibility;

(20) "Promotional probation" means the six (6) month period of service following the promotion of an employee with status which must be successfully completed in order for the employee to retain the position to which he has been promoted. *If the employee is granted leave in excess of twenty (20) consecutive work days during this period, his promotional probation shall be extended for the same length of time as the granted leave to cover such absence;*

(21) "Provisional employee" means any employee appointed on a temporary or interim basis to a permanent

position under KRS 18A.005 to 18A.200 without examination, such appointment being made necessary by the absence of a register for the position involved and by the time limitations and prohibition on renewal as defined in KRS 18A.110(5)(h);

(22) "Reallocation" means the correction of the classification of an existing position by placement of the position into the classification that is appropriate for the duties the employee has been and shall continue to perform;

(23) "Reclassification" shall mean the change in the classification of an employee when a material and permanent change in the duties or responsibilities of that employee occurs;

(24) "Reemployment" shall mean the rehiring of an employee with status who has been laid off;

(25) "Reemployment register" means the separate list of names of persons who have been separated from state service by reason of layoff. Reemployment registers shall be used as provided by the provisions of KRS 18A.110, 18A.130, and 18A.135;

(26) "Register" means any official list of eligibles for a particular class and, except as provided in this chapter, placed in rank order according to the examination scores maintained for use in making original appointments or promotions to positions in the classified service;

(27) "Reinstatement" shall mean the restoration of an employee who has resigned in good standing, or who has been ordered reinstated by the board or a court to a position in his former class, or to a position of like status and pay;

(28) "Seasonal employee" means an employee appointed to a seasonal position;

(29) "Seasonal position" means a position that is temporary, coincides with a particular season or seasons of the year, and does not exceed eleven (11) months duration;

(30) "Seniority" means the total number of months of state service;

(31) "Status" means the acquisition of tenure with all rights and privileges granted by the provisions of this chapter after satisfactory completion of the initial probationary period by an employee in the classified service;

(32) "Temporary employee" means an employee appointed to a temporary position;

(33) "Temporary position" means a position that is created for a definite period of time not to exceed six (6) months and not renewable;

(34) "Transfer" means a movement of any employee from one (1) position to another of the same grade having the same salary ranges, the same level of responsibility within the classified service and the same salary received immediately prior to transfer;

(35) A "war veteran" is a person who served on active duty in the United States armed forces during any war, or in a campaign or expedition for which a campaign badge or service medal has been authorized, or between December 7, 1941, and July 1, 1955 or between August 6, 1964 and May 7, 1975.

Section 2. KRS 18A.0751 is amended to read as follows:

(1) The board shall promulgate comprehensive administrative regulations for the classified service governing:

(a) Appeals by state employees;

(b) Demotion;

(c) Dismissal;

(d) Fines, suspensions, and other disciplinary measures;

(e) Probation, provided that the board may not require an initial probationary period in excess of six (6) months except as provided in subsection (4)(e) of this section *and KRS 18A.005*;

(f) Promotion;

(g) Reinstatement;

(h) Transfer; and

(i) Employee grievances and complaints.

(2) (a) Such administrative regulations shall comply with the provisions of this chapter and KRS Chapter 13A, and shall have the force and effect of law, when approved by the board, after compliance with the provisions of KRS Chapters 13A and 18A and the procedures adopted thereunder;

(b) Administrative regulations promulgated by the board shall not expand or restrict rights granted to, or duties imposed upon, employees and administrative bodies by the provisions of this chapter; and

(c) No administrative body, other than the personnel board, shall promulgate administrative regulations governing the subject matters specified in this section.

(3) Prior to filing an administrative regulation with the legislative research commission, the board shall submit such administrative regulation to the commissioner for review:

(a) The commissioner shall review the administrative regulation proposed by the board not less than twenty (20) days after its submission to him;

(b) Not less than five (5) days after his review, the commissioner shall submit his recommendations in writing to the board;

(c) The board shall review the recommendations of the commissioner and may revise the proposed administrative regulation as it deems necessary; and

(d) After the board has completed the review provided for in this section, it may file the proposed administrative regulation with the legislative research commission pursuant to the provisions of KRS Chapter 13A.

(4) Such administrative regulations shall provide:

(a) For the procedures to be utilized by the board in the conduct of hearings by the board;

(b) For reduction in rank or grade as provided by this chapter;

(c) For discharge, as provided by this section;

(d) For imposition, as disciplinary measures, of a fine of not more than ten (10) working days' pay, or for suspension from the service without pay for no longer than thirty (30) working days and, in accordance with the provisions of KRS 18A.095, for the manner of notification of the employee of the discipline and his right of appeal;

(e) No probationary period may exceed twelve (12) months, *except as provided in KRS 18A.005*. The commissioner may recommend an initial probationary period in excess of six (6) months for specific job classifications to the board. Such recommendation shall take the form of a proposed administrative regulation

that shall be submitted to the board for approval. The subject of such administrative regulation shall be limited to job classifications for which an initial probationary period in excess of six (6) months is required and shall specify:

1. The job classification for which an initial probationary period in excess of six (6) months is required; and

2. The specific number of months constituting the initial probationary period[; ~~not to exceed twelve (12) months;~~] for the job classification. No other administrative regulation shall include any provision prescribing an initial probationary period in excess of six (6) months, *except as provided in KRS 18A.005*. Upon approval by the board of the proposed administrative regulation provided for herein, the board shall file such regulation with the legislative research commission as provided by KRS Chapter 13A;

(f) For promotions which shall give appropriate consideration to the applicant's qualifications, record of performance, conduct and seniority. Except as provided by this chapter, vacancies shall be filled by promotion whenever practicable and in the best interest of the service;

(g) For reemployment of laid-off employees in accordance with the provisions of this chapter;

(h) For transfer from a position in one (1) department to a similar position in another department involving similar qualifications, duties, responsibilities, and salary ranges as provided by the provisions of KRS 18A.1131(3)(a);

(i) For establishment of a plan for resolving employee grievances and complaints. Such plan shall not restrict rights granted employees by the provisions of this chapter;

(j) For promotion of career employees to positions in the unclassified service without loss of status to the individual employees so promoted, as provided by this chapter; and

(k) For such other administrative regulations not inconsistent with this chapter and KRS Chapter 13A as may be proper and necessary for its enforcement.

Section 3. KRS 18A.110 is amended to read as follows:

(1) The commissioner shall promulgate comprehensive administrative regulations for the classified service governing:

(a) Applications and examinations;

(b) Certification and selection of eligibles;

(c) Classification and compensation plans;

(d) Incentive programs;

(e) Layoffs;

(f) Registers;

(g) Types of appointments;

(h) Attendance; hours of work; compensatory time; annual, court, military, sick, voting and special leaves of absence, provided that the commissioner shall not promulgate administrative regulations that would reduce the rate at which employees may accumulate leave time below the rate effective on December 10, 1985; and

Regulations for the unclassified service.

(2) (a) Except as provided by KRS 18A.355, the commissioner shall not promulgate administrative regulations that would reduce an employee's salary;

(b) As provided by KRS 18A.0751(4)(c), the commissioner may submit a proposed administrative regulation providing for an initial probationary period in excess of six (6) months[, but not to exceed twelve (12) months,] to the board for its approval.

(3) (a) Such administrative regulations shall comply with the provisions of this chapter and KRS Chapter 13A, and shall have the force and effect of law after compliance with the provisions of KRS Chapters 13A and 18A and the procedures adopted thereunder;

(b) Administrative regulations promulgated by the commissioner shall not expand or restrict rights granted to, or duties imposed upon, employees and administrative bodies by the provisions of this chapter; and

(c) No administrative body other than the department of personnel shall promulgate administrative regulations governing the subject matters specified in this section.

(4) Prior to filing an administrative regulation with the legislative research commission, the commissioner shall submit such administrative regulation to the board for review.

(a) The board shall review the administrative regulation proposed by the commissioner not less than twenty (20) days after its submission to it;

(b) Not less than five (5) days after its review, the board shall submit its recommendations in writing to the commissioner;

(c) The commissioner shall review the recommendations of the board and may revise the proposed administrative regulation if he deems it necessary; and

(d) After the commissioner has completed the review provided for in this section, he may file the proposed administrative regulation with the legislative research commission pursuant to the provisions of KRS Chapter 13A.

(5) The administrative regulations shall provide:

(a) For the preparation, maintenance and revision of a position classification plan for all positions in the classified service, based upon similarity of duties performed and responsibilities assumed, so that the same qualifications may reasonably be required for and the same schedule of pay may be equitably applied to all positions in the same class;

1. The commissioner shall allocate the position of every employee in the classified service to one (1) of the classes in the plan. The commissioner shall reallocate existing positions, after consultation with appointing authorities, when it is determined that they are incorrectly allocated, and there has been no substantial change in duties from those in effect when such positions were last classified. The occupant of a position being reallocated shall continue to serve in the reallocated position;

2. The secretary of the finance and administration cabinet may review and approve all proposed position establishments and abolishments on the basis of the availability of funds. Reclassifications and reallocations may also be reviewed and approved by the secretary of the finance and administration cabinet on the basis of the availability of funds. The finance and administration cabinet shall notify the department of any review and approval conducted under the provisions of this section;

(b) For a pay plan for all employees in the classified service, after consultation with appointing authorities and the secretary of the finance and administration cabinet. The plan shall take into account such factors as:

1. The relative levels of duties and responsibilities of various classes of positions;

2. Rates paid for comparable positions elsewhere taking into consideration the effect of seniority on such rates; and

3. The state's financial resources.

Amendments to the pay plan shall be made in the same manner. Each employee shall be paid at one (1) of the rates set forth in the pay plan for the class of position in which he is employed, provided that the full amount of the annual increment provided for by the provisions of KRS 18A.355, and the full amount of an increment due to a promotion, salary adjustment, reclassification, or reallocation, shall be added to an employee's base salary or wages;

(c) For open competitive examinations to test the relative fitness of applicants for the respective positions. Such examinations shall be announced publicly at least fifteen (15) days in advance of the date fixed for the filing of applications therefor, and may be advertised through the press, radio and other media. The commissioner shall continue to receive applications and examine candidates on a continuous basis long enough to assure a sufficient number of eligibles to meet the needs of the service. Except as provided by this chapter, he shall add the names of successful candidates to existing eligible lists in accordance with their respective ratings. The commissioner shall be free to use any investigation of education and experience and any test of capacity, knowledge, manual skill, character, personal traits, or physical fitness which in his judgment serves the need to discover the relative fitness of applicants;

(d) As provided by this chapter, for the establishment of eligible lists for appointment, upon which lists shall be placed the names of successful candidates in the order of their relative excellence in the respective examinations. Except as provided by this chapter, eligibility lists shall expire automatically at the end of two (2) years, unless the life of a list is extended by action of the commissioner for a period not to exceed one (1) additional year;

(e) For the rejection of candidates or eligibles who fail to comply with reasonable requirements of the commissioner in regard to such factors as age, physical condition, training and experience; or who have attempted any deception or fraud in connection with an examination;

(f) Except as provided by this chapter, for the appointment of a person whose score is included in the five (5) highest scores earned on the examination;

(g) For emergency employment for not more than thirty (30) working days with or without examination, with the consent of the commissioner;

(h) For provisional employment without competitive examination when there is no appropriate eligible list available. No such provisional employment shall continue longer than six (6) months, nor shall successive provisional appointment be allowed to the same position;

(i) For annual, sick and special leaves of absence, with or without pay, or reduced pay, after approval by the governor as provided by KRS 18A.155(1)(d);

(j) For layoffs, in accordance with the provisions of KRS 18A.113, 18A.1131, and 18A.1132, by reasons of lack of work, abolishment of a position, a material change in duties or organization, or a lack of funds;

(k) For the development and operation of programs to improve the work effectiveness of employees in the state service, including training, whether in-service or compensated educational leave, safety, health, welfare, counseling, recreation, and employee relations;

(l) For such other administrative regulations not inconsistent with this chapter and KRS Chapter 13A, as may be proper and necessary for its enforcement.

Section 4. KRS 18A.111 is amended to read as follows:

(1) Except when appointed to a job classification with an initial probationary period in excess of six (6) months, and except as provided in KRS 18A.005 an employee shall serve a six (6) months probationary period when he is initially appointed to the classified service. An employee may be separated from his position,

reduced in class or rank, or replaced on the eligible list during this initial probationary period and shall not have a right to appeal except as provided by KRS 18A.095. If the employee is separated from his position, he shall be notified in writing at least ten (10) working days prior to separation. A copy of the notification shall be forwarded to the commissioner. The employee shall be placed on an eligible list but shall not be certified to the agency from which he was separated unless that agency so requests. Unless the appointing authority notifies the employee prior to the end of the initial probationary period that he is separated, the employee shall be deemed to have served satisfactorily and shall acquire status in the classified service.

(2) An employee who satisfactorily completes the initial probationary period for the position to which he was initially appointed to the classified service shall be granted status and may not be demoted, disciplined, dismissed, or otherwise penalized except as provided by the provisions of this chapter.

(3) An employee ordered reinstated by the board shall not be required to serve a probationary period unless the board rules otherwise, as provided in KRS 18A.095.

(4) An employee with status, who has been promoted, shall serve a promotional probationary period of six (6) months, *except for those employees granted leave in excess of twenty (20) consecutive work days during this period. Such probationary periods shall be extended as prescribed in KRS 18A.005.* During this period, he shall retain the rights and privileges granted by the provisions of this chapter to status employees.

(5) An employee with status may request that he be reverted to a position in his former class at any time during the promotional probationary period.

(6) A laid-off employee who accepts a bona fide written offer of appointment to a position shall not be required to serve an initial probationary period. Such an employee shall serve a promotional probationary period. He shall be an employee with status and shall have all rights and privileges granted employees with status under the provisions of this chapter.

SECTION 5. A NEW SECTION OF KRS CHAPTER 18A IS CREATED TO READ AS FOLLOWS:

(1) *As used in this section, "state employee" means a person regularly appointed to a position in the state service, whether classified or unclassified, for which he is compensated on a full-time or part-time basis.*

(2) *Subject to the provisions of KRS 18A.095, any state employee who is convicted of a felony may be subject to any disciplinary action deemed appropriate, including dismissal from the state service.*

SB 240. AN ACT relating to relocation assistance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 56.610 is amended to read as follows:

(1) *The general assembly of the Commonwealth of Kentucky finds and declares the following:*

(a) *Displacement as a direct result of programs or projects undertaken with federal financial assistance is caused by a number of activities, including rehabilitation, demolition, code enforcement, and acquisition;*

(b) *Relocation assistance policies shall provide for fair, uniform, and equitable treatment of all affected persons;*

(c) *The displacement of businesses often results in their closure; and*

(d) *Minimizing the adverse impact of displacement is essential to maintaining the economic and social well-being of communities.*

(2) *This Act establishes a uniform policy for the fair and equitable treatment of persons displaced as a direct result of programs or projects undertaken with federal financial assistance. The primary purpose of this Act shall be to ensure that such persons shall not suffer disproportionate injuries as a result of programs*

and projects designed for the benefit of the public as a whole and to minimize the hardship of displacement on such persons. The provisions of this Act may be applied to programs and projects undertaken without federal financial assistance.

(3) The following is the intent of the Kentucky general assembly:

(a) This Act shall be carried out in a manner which minimizes waste, fraud and mismanagement and reduces unnecessary administrative costs borne in providing relocation assistance;

(b) Uniform procedures for the administration of relocation assistance shall, to the maximum extent feasible, assure that the unique circumstances of any displaced person are taken into account and that persons in essentially similar circumstances are accorded equal treatment under this Act; and

(c) The improvement of housing conditions of economically disadvantaged persons under this Act shall be undertaken, to the maximum extent feasible, in coordination with existing federal, state and local government programs for accomplishing such goals.

(1) It is the intent of the legislature by KRS 56.610 to 56.760 to conform to federal requirements tending toward greater uniformity of compensation to persons displaced by land acquisition programs.

(2) It is the further intent of the legislature by KRS 56.610 to 56.760 to make certain that all payments authorized by KRS 56.610 to 56.760 are payments in addition to the payment of fair market value for property taken by the state agency when there is a total taking and in addition to the payment of the difference between the fair market value before and after the taking when there is a partial taking.]

Section 2. KRS 56.620 is amended to read as follows:

(1) If any department, agency or instrumentality of the state, or any county, municipality, or other political subdivision, or any other public or private entity subject to the provisions of the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, Public Laws 91-646, and 100-17, Title IV, hereinafter the Federal Uniform Relocation Act, undertakes any project, which results in the acquisition of real property or in any person or persons being displaced from their homes, businesses, or farms, such state department, agency or instrumentality, county, municipality or other political subdivision, or other public or private entity may provide relocation assistance, and make relocation payments to such displaced person and to do such other acts and follow such procedures and practices as may be necessary to comply with the provisions of the Federal Uniform Relocation Act.

(2) Any payment made or to be made under the authority granted herein shall be for compensating or reimbursing the displaced person or owner of real property in accordance with the requirements of the Federal Uniform Relocation Act and such payments shall not for any purpose be deemed or considered compensation for real property acquired or compensation for damages to remaining property.

[The purpose of KRS 56.610 to 56.760 is to establish a uniform policy for the fair and equitable treatment of persons displaced by the acquisition of real property by state and local land acquisition programs, by building code enforcement activities, or by a program of voluntary rehabilitation of buildings or other improvements conducted pursuant to governmental supervision. Such policy shall be uniform as to relocation payments, advisory assistance, assurance of availability of standard housing, and state reimbursement for local relocation payments under state-assisted and local programs.]

Section 3. KRS 56.690 is amended to read as follows:

(1) Except as provided in subsection (3) of this section the finance and administration cabinet shall adopt such [rules and] regulations as may be necessary to assure:

(a) That the payments and assistance authorized by this Act [KRS 56.610 to 56.760] shall be administered in a manner which is fair and reasonable, and as uniform as practicable;

(b) That a displaced person who makes proper application for a payment authorized for such person by this Act [KRS 56.610 to 56.760] shall be paid promptly after a move or, in hardship cases, be paid in

advance; and

(c) That any person aggrieved by a determination as to eligibility for a payment authorized by *this Act* [~~KRS 56.610 to 56.760~~] or the amount of a payment, may have his application reviewed by the head of the state agency.

(2) The finance and administration cabinet may prescribe such other regulations and procedures, consistent with the provisions of *this Act* [~~KRS 56.610 to 56.760~~], as it deems necessary or appropriate to carry out *this Act* [~~KRS 56.610 to 56.760~~].

(3) The transportation cabinet shall adopt such administrative regulations and procedures consistent with the provisions of *this Act* [~~KRS 56.610 to 56.760~~], as it deems necessary or appropriate to carry out the provisions of *this Act* [~~KRS 56.610 to 56.760~~] with regard to requirements of the transportation cabinet.

(4) *Any county, municipality, or other political subdivision, or any other public or private entity subject to the provisions of the Federal Uniform Relocation Act, before undertaking any project involving federal financial assistance which results in the acquisition of real property or in any person or persons being displaced from their homes, businesses, or farms, shall adopt such administrative regulations, ordinances, procedures or policies as necessary or appropriate to carry out the provisions of this Act.*

Section 4. KRS 56.740 is amended to read as follows:

No payment received by a displaced person under *this Act* [~~KRS 56.610 to 56.760~~] shall be considered as income or resources for the purpose of determining the eligibility or extent of eligibility of any person for assistance under any state law or for the purposes of the state's personal income tax law, corporation tax law, or other state tax laws. Such payments shall not be considered as income or resources of any recipient of public assistance and such payments shall not be deducted from the amount of aid to which the recipient would otherwise be entitled.

Section 5. The following KRS sections are repealed:

56.630 Definitions used in KRS 56.610 to 56.760, 416.140 and 416.470.

56.640 Relocation payments — When made.

56.650 Payment for displacement from dwelling owned and occupied — Elements of payment.

56.660 Payment for displacement from occupied dwelling — Elements of payment.

56.670 Relocation assistance advisory program.

56.680 Assurance of replacement facilities.

56.700 Contracts for relocation services.

56.710 Acquisition funds to be used for relocation.

56.720 Relocation computed as cost item to local government in acquisition of real property.

56.730 Displaced person defined.

56.750 Project funds for relocation assistance — When applied.

SB 268. AN ACT relating to regulation of elections.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 117.035 is amended to read as follows:

(1) There shall be a county board of elections, which shall, at the direction and under the supervision of the state board of elections, administer the election laws and the registration and purgation of voters within the county.

(2) The board shall consist of the county clerk, sheriff and two members appointed by the state board of elections not later than July 1 following the election of persons to statewide office, for a term of four (4) years and until their successors are appointed; provided, that the first board shall be appointed within one (1) month following December 1, 1972, and serve until successors are appointed in April, 1976. Where from any cause the county clerk or sheriff cannot act, the two (2) appointed members shall appoint a commissioner to serve during the period the county clerk or sheriff is ineligible. If the two (2) appointed members cannot agree on a substitute to function in place of the clerk or sheriff who becomes disqualified, such fact shall be certified to the state board within five (5) days and the board shall immediately appoint a person to serve during the period that such officer is ineligible. Service on the board of elections shall be compatible with the holding of any other county office. The members shall be at least twenty-one (21) years of age, qualified voters in the county from which they are appointed, and not a candidate to be voted for at the elections. One (1) member shall be appointed from a list of five (5) names submitted by the county executive committee of each of the two (2) political parties that polled the largest number of votes in the state at the last preceding election for presidential electors. If there are two (2) or more contending executive committees of the same party in any county, the one (1) recognized by the written certificate of the chairman of the state central committee of the party, shall be the one (1) authorized to submit the lists. Appointees may be removed by the state board of elections for cause. Where from any cause an appointee is temporarily unable to act, a temporary appointee shall be named by the state board of elections. A temporary appointee shall serve until such time as the original appointee notifies the state board of elections that he is able to resume his term. Vacancies and temporary vacancies shall be filled in the same manner as provided for original appointments and the person appointed to fill the vacancy or temporary vacancy shall be of the same political party as his predecessor. Compensation *and payment of actual expenses* of members shall be set by the fiscal court at not less than fifteen dollars (\$15) per day for each day the board meets.

(3) A majority of the board shall constitute a quorum. The county clerk shall serve as chairman of the meetings and may vote. In case of a tie, the chairman may cast an additional vote. Records shall be kept of all proceedings, and the records shall be public and kept at the office of the county clerk.

(4) The board shall meet at least once a month and may meet more frequently if necessary. The board shall stay in session on election days to correct clerical errors and rule on questions regarding voter registration and are authorized to make to the election officers such certifications as may be necessary. On said days appeals may be made to a circuit judge.

(5) In counties containing cities of the first and second class, the board shall employ, on a bipartisan basis, a staff sufficient to carry out the duties assigned to the board.

Section 2. KRS 117.045 is amended to read as follows:

(1) The county board of elections shall, not later than September 20 each year, appoint for each precinct in the county two (2) judges, one (1) clerk, and one (1) sheriff of election, who shall hold their offices for one (1) year and until their successors are appointed. They shall serve in all elections held in the county during the year, except as provided in KRS Chapter 242. The county executive committees of the two (2) political parties having representation on the state board of elections may, on or before September 15 each year, designate in writing to the county board of elections a list of not less than four (4) names for each precinct except that in any precinct where there are not as many as four (4) persons possessing the qualifications of an election officer belonging to the political party filing the list, a less number may be designated. If there are two (2) or more contending executive committees of the same party in any county, the one (1) recognized by the written certificate of the chairman of the state central committee of the party shall be the one authorized to submit the lists. If lists are submitted, one (1) judge at each voting place shall be selected from each list, and the sheriff shall be chosen from one (1) list and the clerk from the other. If no lists are submitted, the officers of the election shall be so selected and appointed that one (1) of the judges at each voting place is of one (1) political party and the other judge of a different political party, and there shall be a like difference at each voting place between the sheriff and the clerk of election. The county board of elections shall, within ten (10) days before the next ensuing election, give each election officer written notice of his appointment. The board may direct the sheriff of the county to serve the notice of appointment, if it deems such action is necessary.

(2) An election officer shall be a qualified voter of the precinct, except that where no qualified voter of the required political party is available within the precinct, the election officer shall be a qualified voter of the county. An election officer shall not be a candidate or the spouse, parent, brother, sister or child of a candidate who is to be voted for at the election. An election officer may be removed, for cause, at any time up to five (5) days before an election. Vacancies shall be filled in the same manner as provided for original appointments and the person appointed to fill the vacancy shall be of the same political party as his predecessor.

(3) If the county board of elections fails to appoint election officers, or if any such officer fails to attend for thirty (30) minutes after the time for commencing the election, or refuses to act, the officer in attendance representing the political party of the absentee shall appoint a suitable person to act in his place for that election. If both representatives of the same political party are absent, qualified voters present affiliating with that party shall elect, viva voce, suitable persons to act in their places.

(4) Each election officer shall be paid a minimum of fifteen dollars (\$15) per day, and such an additional amount *as compensation* as may be determined by the county board of elections, with the approval of the governing body which would be responsible for funding said election officers' pay, for each election in which the election officer serves, to be paid by the county. For delivering election returns, the sheriff and the judge of the opposite political party from the sheriff shall receive in addition ten cents (10) for each mile necessarily traveled from the place of voting to and from the place of delivery, to be paid by the county.

Section 3. KRS 117.185 is amended to read as follows:

(1) Not less than four (4) days before the day of any election, the county board of elections shall call together the officers of election of each precinct and instruct them in the use of the voting machines. No election officer, upon being notified to appear for instruction, shall fail without just cause so to do. If any officer does so fail to appear, the board may appoint and instruct some other qualified person, from the same list from which the defaulting officer was appointed, to act in place of the defaulting officer.

(2) Compensation in the minimum amount of five dollars (\$5) *for reimbursement of actual expenses* shall be paid by the county to the election officers for attending the instruction session.

The Committee Amendment No. 1 to **SB 268** is as follows:

Amend printed copy of GA copy of **SB 268** on page 6, after line 26, insert the following:

"Section 4. KRS 117.015 is amended to read as follows:

(1) There shall be a state board of elections which shall administer the election laws of the state and supervise registration and purgation of voters within the state. The board may adopt rules and regulations necessary to properly carry out its duties.

(2) The board shall consist of the secretary of state and six (6) members to be appointed *by the governor* as provided in this subsection. The members shall serve for a term of four (4) years or until their successors are appointed. Members shall be at least twenty-five (25) years of age and qualified voters of this state. No appointed member shall be a candidate for public office or have been a candidate for public office for two (2) years prior to his appointment. Two (2) members shall be appointed by *the governor* [~~each of the following officers: the governor, the president pro tem of the senate, and the speaker of the house. Such appointments shall be made by each officer~~] from a separate list of at least five (5) names submitted by the state central executive committee of each of the two (2) political parties that polled the largest vote in the last preceding election for state officials. The list shall be submitted to the governor by February 15 of 1992 [~~in the year following the inauguration of the governor~~], and the appointments of the governor shall be made by April 1 [~~15~~] of the same year. *Two* [~~The~~] separate lists shall be submitted to the *governor* [~~president pro tem of the senate and the speaker of the house~~] by August 15 of 1990 [~~1982~~] and every four (4) years thereafter, and *two* appointments shall be made from these lists by September 15 of each year in which the lists are received. Vacancies shall be filled in the same manner as provided for original appointments, and the person appointed to fill the vacancy shall be of the same political party as his predecessor.

(3) The board shall meet as often as necessary to carry out its duties and shall keep a record of its acts, orders, findings and proceedings. A majority of the board shall constitute a quorum. The secretary of state shall preside at the meetings and may vote.

(4) The members of the board shall be paid a reasonable sum to be fixed by the commissioner of personnel, with the approval of the secretary of the department of finance, and in addition, their expenses in attending board meetings. The compensation shall be paid out of the state treasury upon requisition signed by the chairman of the board and approved by the secretary of the department of finance."

The Committee on Rules reported **HB 214, HB 478, SB 68, SB 104, SB 118, SB 96, SB 97, SB 99, SB 249, SCR 53, HB 963, HB 980, HB 989, SB 121, SB 154, SB 192, SB 270, SJR 50, HB 631, HB 924, HB 936, HJR 122, SB 199, HB 802, SB 244, SB 286, SB 303** and **SCR 69** have been posted for passage in Orders of the Day, March 23, 1988.

The Committee on Rules reported the following Consent Bills have been posted for passage in Regular Orders of the Day, March 23, 1988: **HB 991, SB 193, SB 202.**

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills have been posted for Committee consideration:

Natural Resources and Environment: **SB 338, SB 355, SB 343.**

State Government: **SB 294, SB 212, SB 182, SB 171, SB 130, HB 900.**

Motions, Petitions and Communications (continued)

Representative Ballard moved that the rules be suspended to act upon a Resolution. Agreed.

Representative Ballard moved the adoption of the following **HR 182**:

HR 182. A RESOLUTION urging the Secretary of the Transportation Cabinet to place a larger sign at the Lawrenceburg/Frankfort exit on the Bluegrass Parkway describing that exit as Frankfort, Kentucky State Capital.

WHEREAS, the current sign at this exit is relatively small and does not afford Frankfort the respect that a capital city deserves; and

WHEREAS, a larger more descriptive sign at this exit would not only be more helpful to travelers, but it would also inform tourists that Kentucky's capital city is at that exit; and

WHEREAS, the lack of proper signing often causes travelers to miss the Frankfort exit when traveling to central Kentucky; and

WHEREAS, the city of Frankfort, through its many tourist attractions and obvious historical sites, would benefit from a larger more descriptive sign at this location;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Secretary of Transportation be urged to place a larger more descriptive sign at the Frankfort exit on the Bluegrass Parkway that would indicate that Frankfort is the Capital City of Kentucky.

Section 2. That copies of this resolution be sent to the Governor, the Secretary of Transportation, the Secretary of the Tourism Cabinet and the Chief District Engineer of District 7.

HR 182 was adopted by voice vote.

Representative Johnson moved the adoption of Legislative Citations No. 109, 110 and 111. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby congratulates and applauds MARK PFEIFER of OWENSBORO CATHOLIC HIGH SCHOOL a member of the Region 3 Academic Team for your outstanding participation in the All-Star Academic Competition held in Louisville, which earned you a FIRST PLACE finish. This accomplishment has been realized through many hours of hard work and the skills you have acquired have distinguished you among your peers. You have brought honor to your school and your community because of the emphasis you have placed on academic excellence.

The House of Representatives joins Representative Louis Johnson in saluting you and wishing you every success in your future academic endeavors.

The House of Representatives of the Commonwealth of Kentucky hereby congratulates and applauds COACH JOHN WOOLEY of the Region 3 Academic Team for your outstanding participation in the All-Star Academic Competition held in Louisville which earned your team FIRST PLACE. This accomplishment has been realized through many hours of hard work and the skills acquired through competition have distinguished your team among their peers. This award has brought honor not only to their schools but also to Owensboro because of the emphasis placed on academic excellence.

The House of Representatives joins Representative Louis Johnson in saluting you and wishing you every success in your future academic endeavors.

The House of Representatives of the Commonwealth of Kentucky hereby congratulates and applauds COACH WILL WYMAN of the APOLLO HIGH SCHOOL EAGLES for your outstanding season of basketball where you posted a 28-7 record. As 3RD REGION CHAMPIONS you gained the honor of participating in the 71st Boys State Tournament in Louisville and further distinguished yourself by reaching the semifinals. Through hard work, skill and competitive team spirit you have brought honor to your school and your community.

The House of Representatives joins Representative Louis Johnson in saluting you and wishing you success in your future endeavors.

Representative Barrows moved the adoption of Legislative Citation No. 99. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby congratulates and applauds JESSAMINE COUNTY HIGH SCHOOL COLTS. Team members, coaches and managers alike are to be commended for the many hours of hard work and dedication which led to you 10-0 regular season record. This achievement went in to the books as the best finish in your counties history. Your skill and determination was evident all season long, and the honor brought to your school by several team members receiving state and conference honors was most deserving. You are all true champions.

The House of Representatives joins Representative Joe Barrows in honoring you.

Representative Stumbo moved that the three day posting requirement be waived on **HR 163**. Agreed.

Representative Lundergan moved that **HB 508** be withdrawn. Agreed.

Representative Cline moved that the Rules be suspended for the purpose of making a motion concerning co-sponsors. Agreed.

Representative Cline moved that all properly filed co-sponsor requests be approved. Agreed.

The following members filed requests to have their names added as co-sponsors of Bills and Resolutions:

HB 916, Representative Seum; **HB 936**, Representative Seum; **HB 966**, Representative Seum.

The following member filed a request to have his name withdrawn as co-sponsor of Bills:

HB 12, Representative Casebier.

Representative Keith moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Keith moved that he be recorded as voting "yea" on **HB 955**. Agreed.

Representative Stumbo moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Stumbo moved that he be recorded as voting "yea" on **SB 145**. Agreed.

Representative Bronger moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Bronger moved that his vote be changed from "nay" to "yea" on **HB 966**. Agreed.

Representative P. Clark moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative P. Clark moved that his vote be changed from "nay" to "yea" on **HB 1013**. Agreed.

Representative Castleman moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Castleman moved that his vote be changed from "nay" to "yea" on **HB 835**. Agreed.

Representative Castleman moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Castleman moved that he be recorded as voting "yea" on **HB 916**. Agreed.

Representative Geveden moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Geveden moved that he be recorded as voting "yea" on **HB 838**. Agreed.

Representative Keith moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Keith moved that he be recorded as voting "yea" on **HB 523**. Agreed.

Announcements

The Clerk announced the filing of the following Floor Amendments to Bills and Resolutions:

Floor Amendment No. 5 to Committee Substitute to **HB 963**, by Representative Gray:

Amend printed copy of HCS to **HB 963** on page 40, after line 24, by adding the following underlined language:

"(4) Any contract for construction, reconstruction or renovation executed under the authority of this Act shall be subject to the public notice and competitive bidding procedures provided by KRS Chapter 45A."

Floor Amendment No. 2 to **SB 55**, by Representative Arnold:

Amend printed copy of GA copy of **SB 55** on page 1, after line 5, by adding the following:

"Section 2. KRS 158.070 is amended to read as follows:

(1) The minimum school term shall be one hundred eighty-five (185) days and shall include no instructional days with pupils in attendance prior to the first Tuesday after the first Monday in September each year, except the instructional days with pupils in attendance may begin earlier upon approval by the superintendent of public instruction, but in no event earlier than the last Monday in August. Exemptions shall be granted only to school districts which have a history of missing fifteen (15) or more days of school per year due to inclement weather. A school calendar consisting of one hundred eighty-five (185) days, of which one hundred seventy-five (175) are designated for instruction with pupils in attendance, shall be submitted, to the superintendent of public instruction for approval, by the local board of education. A board of education may extend its term beyond

the minimum term set by the superintendent of public instruction. In setting the school calendar, school shall be closed for two (2) consecutive days for the purpose of permitting professional school employees to attend statewide professional meetings. These two (2) days for statewide professional meetings shall be scheduled to begin with the first Thursday after Easter or upon request of the statewide professional educational association having the largest paid membership, the superintendent of public instruction may designate alternate dates. Furthermore, the superintendent of public instruction shall designate one (1) additional day during the school year when schools shall be closed for the purpose of permitting professional school employees to participate in regional or district professional meetings. These three (3) days so designated for attendance at professional meetings shall not be counted as a part of the minimum school term.

(2) Any local board of education operating its schools on a year-round school program basis shall conform with regulations promulgated and adopted by the state board of education upon the recommendation of the state superintendent of public instruction, which regulations must be in conformity with the following criteria:

(a) The year-round school program shall be operated on a fiscal year beginning July 1 and ending June 30;

(b) A pupil's required attendance in school shall be for at least the minimum term; and

(c) No teacher shall be required to teach more than the minimum term during the school year.

(3) Each local board of education shall use four (4) days of the minimum school term for in-service professional development and planning activities for the professional staff without the presence of pupils. The board of education of any school district may use up to a maximum of four (4) days of the minimum school term for holidays, provided, however, any holiday which occurs on Saturday may be observed on the preceding Friday; two (2) days for the opening and closing of schools without the presence of pupils, one (1) day of which may be used at the beginning of the second semester; the number of days deemed necessary for:

(a) National or state disaster or mourning when proclaimed by the President of the United States or the governor of the Commonwealth of Kentucky; and

(b) Local disaster which would endanger the health or safety of children or mourning when so designated by the district board of education and approved by the state board of education upon recommendation of the superintendent of public instruction, and shall use one (1) day of excused absence for attendance at the Kentucky state fair for students applying for excused absence for this purpose.

(4) The state board of education, upon recommendation of the superintendent of public instruction, shall adopt regulations governing the use of school days, including days missed from the regular school day as a result of local disaster, as defined in subsection (3)(b) of this section, and regulations setting forth the guidelines and procedures to be observed for the approval of the days utilized for the opening and closing of school and the days utilized for in-service professional development and planning activities for the professional staff."

Floor Title Amendment to **SB 55**, by Representative Arnold:

Amend printed copy of GA copy of **SB 55** by amending the title to read as follows:

"AN ACT relating to education."

Floor Amendment No. 1 to **SB 147**, by Representative Todd:

Amen printed copy of GA copy of **SB 147** on page 4, after line 12, by inserting the following:

"Section 2. KRS 189.270 is amended to read as follows:

(1) The department may prescribe, by orders of general application, rules and regulations for the issuance by it of permits for the operation of motor vehicles, mobile homes, recreational vehicles and vehicles transporting microwave satellite television antennae, *vehicles transporting boats* or farm equipment, whose gross weight including load, height, width or length exceeds the limits prescribed by this chapter or which in other respects

fail to comply with the requirements of this chapter. Permits may be issued by the department for stated periods, special purposes and unusual conditions, and upon such terms in the interest of public safety and the preservation of the highways as the department may, in its discretion, require. The department shall require, as a condition to the issuance of the permit, that the applicant pay a fee of thirty dollars (\$30.00) for each overweight or overdimension permit; a fee of twenty dollars (\$20.00) for each single trip house trailer permit; a fee of eighty dollars (\$80.00) for each annual house trailer, farm equipment, boat transporter or microwave antennae transporter permit; a fee of five hundred dollars (\$500) for each annual boat permit for units in excess of sixty-five (65) feet in length and twelve (12) feet in width; and may require that the applicant give bond, with approved surety, to indemnify the state or counties against damage to highways or bridges resulting from use by the applicant. The operation of motor vehicles, mobile homes and recreational vehicles in accordance with the terms of any such permit shall not constitute a violation of this chapter if the operator has the permit, or a copy of it, authenticated as the department may require, in his possession.

(2) Annual boat permits shall be issued for any unit, including towing vehicle and trailer combination which does not exceed ninety-five (95) feet in length or fourteen (14) feet in width exclusive of usual and ordinary overhang. The department may, by regulation, limit annual boat permits for units including towing vehicle and trailer combinations which exceed sixty-five (65) feet in length and twelve (12) feet in width to manufacturers and dealers, to specified routes or to exclude certain highways from the annual permit in this subsection if an unreasonable risk of accident or an unreasonable impedance of the flow of traffic would result from the presence of such units. Movement of boats in excess of sixty-five (65) feet in length and twelve (12) feet in width shall be preceded by notification to the department of vehicle regulation, division of motor carriers of any trip to be made under the permit. The department may, no later than eighteen (18) hours after the receipt of notice, prohibit said trip if, because of temporary or special conditions, an unreasonable risk of accident or unreasonable impedance of the flow of traffic would be created.

(3) No person shall operate any motor vehicle, mobile home or recreational vehicle in violation of the terms of the permit."

Floor Amendment No. 1 to SB 150, by Representative Deskins:

Amend printed copy of GA copy of SB 150 on page 1 after the enacting clause, delete all of the material on the page; and

On pages 2 through 13, delete all material; and insert after the enacting clause the following:

"SECTION 1. A NEW SECTION OF KRS CHAPTER 237 IS CREATED TO READ AS FOLLOWS:

As used in this Act unless the context otherwise requires:

(1) "Alcohol abuser" means an individual who has had two (2) or more alcohol related offenses, any one (1) of which resulted in conviction by a court or treatment in an alcohol abuse facility within three (3) years prior to the date of the application;

(2) "Commissioner" means the commissioner of the Kentucky state police;

(3) "Drug abuser" means an individual who has had two (2) or more violations of KRS Chapter 218A, any one (1) of which resulted in conviction by a court or treatment in a drug abuse facility within five (5) years prior to the date of application;

(4) "Firearm" means any weapon that is capable of or designed to or that may readily be converted to expel a projectile by means of an explosion;

(5) "Handgun" means any firearm:

(a) Designed or adapted so as to be aimed and fired from one (1) hand, regardless of barrel length; or

(b) Any firearm with:

1. A barrel less than sixteen (16) inches in length; or

2. *An overall length of less than twenty-six (26) inches.*

(6) *"Proper person" means a person who does not:*

(a) *Have a conviction for resisting law arrest;*

(b) *Have a conviction for a crime for which he could have been sentenced for more than one (1) year;*

(c) *Have a record of being an alcohol or drug abuser as defined in this Act;*

(d) *Have documented evidence which would give rise to reasonable belief that he has a propensity for violent or emotionally unstable conduct;*

(e) *Make a false statement of material fact on his application;*

(f) *Have a conviction for any crime involving an inability to safely handle a handgun;*

(g) *Have a conviction for violation of the provisions of this Act within five (5) years of his application;*

(7) *"Proper reason" means for the defense of oneself or the Commonwealth of Kentucky.*

SECTION 2. A NEW SECTION OF KRS CHAPTER 237 IS CREATED TO READ AS FOLLOWS:

(1) *A person desiring a license to carry a handgun concealed shall apply to:*

(a) *The chief of police or corresponding law enforcement officer of the municipality in which he resides;*

(b) *If that municipality has no such officer, or if the applicant does not reside in a municipality, to the sheriff of the county in which he resides after he has obtained an application form prescribed by the commissioner.*

(2) *The law enforcement agency which accepts an application for a concealed handgun license shall collect a ten dollar (\$10.00) application fee, five dollars (\$5.00) of which shall be refunded if the license is not issued. The fee shall be:*

(a) *Deposited into the law enforcement agency's firearms training fund or other appropriate training activities fund; and*

(b) *Used by the agency exclusively for the purpose of training law enforcement officers in the proper use of firearms or other law enforcement duties.*

The state auditor shall establish rules for the proper accounting and expenditure of funds collected under this subsection.

(3) *The officer to whom the application is made shall ascertain concerning the applicant his name, full address, length of residence in the community, whether his residence is located within the limits of any city or town, occupation, place of business or employment, criminal record, if any, and convictions (minor traffic offenses excepted), age, race, sex, nationality, date of birth, citizenship, height, weight, build, color of hair, color of eyes, scars and marks, whether the applicant has previously held a Kentucky license to carry a concealed handgun and, if so, the serial number of the license and year issued, whether his license has ever been suspended or revoked, and if so, the year and reason for the suspension or revocation, and the applicant's reason for desiring a license. The officer to whom the application is made shall conduct an investigation into the applicant's official records and verify thereby the applicant's character and reputation, and shall in addition verify for accuracy the information contained in the application, and shall forward this information together with his recommendation for approval or disapproval and one (1) set of legible and classifiable fingerprints of the applicant to the commissioner.*

(4) *The commissioner may make whatever further investigation he deems necessary. Whenever disapproval*

is recommended, the officer to whom the application is made shall provide the commissioner and the applicant with his complete and specific reasons, in writing, for the recommendation of disapproval.

(5) If it appears to the commissioner that the applicant has a proper reason for carrying a concealed handgun and is of good character and reputation and a proper person to be so licensed, he shall issue to the applicant a qualified or an unlimited license to carry any handgun lawfully possessed by the applicant. The original license shall be delivered to the licensee. A copy shall be delivered to the officer to whom the application for license was made. A copy shall be retained by the commissioner for at least four (4) years. This license shall be valid for a period of four (4) years from the date of issue. The license of police officers, sheriffs or their deputies, and law enforcement officers of the United States government who have been honorably retired by a lawfully created pension board or its equivalent after twenty (20) or more years of service, shall be valid for the life of such individuals. However, such lifetime licenses are automatically revoked if the license holder does not remain a proper person.

(6) A license to carry a concealed handgun shall not be issued to any person who has been convicted of a felony or who is under eighteen (18) years of age. The commissioner shall prescribe by administrative regulation all forms to be used in connection with the administration of this Act.

SECTION 3. A NEW SECTION OF KRS CHAPTER 237 IS CREATED TO READ AS FOLLOWS:

(1) Licenses to carry concealed handguns shall be either qualified or unlimited. A qualified license shall be issued for hunting and target practice. The commissioner may adopt rules imposing limitations on the use and carrying of concealed handguns under a license when handguns are carried by a licensee as a condition of his employment. Unlimited licenses shall be issued for the purpose of the protection of life and property.

(2) In addition to the application fee, the fee for a qualified license shall be five dollars (\$5.00), and the fee for an unlimited license shall be fifteen dollars (\$15.00). These fees shall be deposited by the commissioner with the state treasurer. However, police officers, sheriffs or their deputies, and law enforcement officers of this state and the United States who have been honorably retired by a lawfully created pension board or its equivalent after twenty (20) or more years of active service, shall pay no fee for a qualified license or an unlimited license.

SECTION 4. A NEW SECTION OF KRS CHAPTER 237 IS CREATED TO READ AS FOLLOWS:

(1) The commissioner may suspend or revoke any license issued under this Act if he has reasonable grounds to believe that the person's license should be suspended or revoked.

(2) Failure of a person to promptly return his license after written notice of suspension or revocation is a Class A misdemeanor.

(3) The commissioner shall establish administrative regulations concerning the procedure for suspending or revoking a person's license.

SECTION 5. A NEW SECTION OF KRS CHAPTER 237 IS CREATED TO READ AS FOLLOWS:

Every initial application under this Act shall be granted or rejected within sixty (60) days after the application is filed. If the application for renewal of an existing license is filed within thirty (30) days of its expiration, the existing license is automatically extended until the application for renewal is passed upon.

Section 6. KRS 527.020 is amended to read as follows:

(1) A person is guilty of carrying a concealed weapon when he carries concealed a firearm or other deadly weapon on or about his person.

(2) Peace officers, when necessary for their protection in the discharge of their official duties; United States mail carriers when actually engaged in their duties; and agents and messengers of express companies, when necessary for their protection in the discharge of their official duties, may carry concealed weapons on or about their person.

(3) Policemen directly employed by state, county, city or urban-county governments may carry concealed

deadly weapons on or about their person at all times within the Commonwealth of Kentucky, when expressly authorized to do so by the government employing the officer.

(4) *Persons authorized by Sections 1 through 4 of this Act may carry concealed handguns at any time and any location within the Commonwealth of Kentucky, unless the terms and conditions of their license specify to the contrary, in which case they may carry concealed handguns according to the terms and conditions of the license.*

(5) A deadly weapon shall not be deemed concealed on or about the person if it is located in a glove compartment, regularly installed in a motor vehicle by its manufacturer regardless of whether said compartment is locked, unlocked, or does not have a locking mechanism.

(6)~~[(5)]~~ Carrying a concealed weapon is a Class A misdemeanor unless the defendant has been previously convicted of a felony in which a deadly weapon was possessed, used or displayed in which case it is a Class D felony."

Floor Title Amendment to **SB 150**, by Representative Deskins:

Amend printed copy of **SB 150** change title to read: "AN ACT relating to concealed deadly weapons."

Floor Amendment No. 1 to **SB 202**, by Representative Freibert:

Amend printed copy of GA copy of **SB 202** on page 29, after line 24, insert the following:

"SECTION 14. A NEW SECTION OF KRS CHAPTER 154 IS CREATED TO READ AS FOLLOWS:

(1) The Kentucky development finance authority shall submit to the legislative research commission for referral to the proper legislative committee a biennial report on the progress of businesses that have received financial assistance from the authority in the current year and in the previous five (5) years. The report shall include the following information about each of these businesses:

(a) The amount of the loan provided by the authority;

(b) The closing date of the loan provided by the authority;

(c) The growth or decline in the number of persons employed by the business receiving assistance. This includes only those persons employed at the funded project site or whose employment is a result of the funded project. Information provided by the secretary of the human resources cabinet pursuant to KRS 341.220(6) shall be used in the calculation of these employment changes for all businesses which have signed a six (6) year release of that information. The authority shall contact directly those businesses not signing a release of information pursuant to KRS 341.190(4) to determine the changes in the number of persons employed.

(2) The biennial report shall also include the rationale used for funding projects during the biennium being reported which:

(a) Cumulatively receive more than one million dollars (\$1,000,000) of Kentucky development finance authority assistance, or combined Kentucky development finance authority and economic development bond program assistance;

(b) Receive more than five thousand dollars (\$5,000) per full-time job estimated to be created or retained two (2) years following completion of the project.

The estimation of jobs shall reflect a realistic projection of the project's effects based upon the authority's own analysis of the proposed project's effects.

(3) For those businesses receiving assistance on or after July 15, 1988, and receiving a Kentucky development finance authority loan in excess of two hundred and fifty thousand dollars (\$250,000); or a combined Kentucky development finance authority loan and economic development bond program loan in excess of two hundred

and fifty thousand dollars (\$250,000), the biennial report shall also include:

- (a) *An estimate of the effect of the assisted business on other businesses within the state;*
- (b) *An estimate of the increased cost of public services resulting from each funded project including, but not limited to, roads, sewer, water, utilities, pollution control and education; and*
- (c) *An estimate of state and local taxes paid by each business.*

Section 23. KRS 154.070 is amended to read as follows:

(1) Any borrower may apply to the authority for assistance in an eligible project. Applications shall be made in a manner prescribed by regulations of the authority.

(2) The authority shall hold such hearings and examinations as to each application as shall be necessary to determine whether the public purposes of this chapter and the development of the particular community will be accomplished by granting financial assistance to such applicants.

(3) The authority may enter into such contract or agreement as may be necessary, with the borrower or with the insurance corporation, to lend or to guarantee the lending of the amount to be borrowed.

(4) *Beginning July 15, 1988, all loan documents shall contain a release to be signed by the borrower which waives certain employer confidentiality rights pursuant to KRS 341.190(4) and permits the authority to collect, examine and publish summary employment information filed by the borrower with the cabinet for human resources pursuant to KRS 341.005 to 341.990. This waiver shall apply to a period beginning on a date two (2) years prior to the closing of the authority's loan and ending six (6) years following the date of that loan's closing and shall apply only to the following information:*

(a) *The total number of persons employed by an employer or employed in the appropriate subunit of an employer's operation; and*

(b) *The summary amount of wages paid to employes in a business or appropriate subunit.*

This waiver shall not be interpreted to permit the release of any information pertaining to an individual employee or which identifies individual employes.

(5) *After July 15, 1988, no loan may be issued to any business whose legal representative does not sign the release described in subsection (4) of this section.*

(6) *The authority and its staff shall maintain a written record of all loan inquiries, written or oral, made by potential borrowers or on behalf of potential borrowers. This record shall include the name and address of the potential borrower, a summary of the inquiry made by the potential borrower, the representative of the authority, and disposition of the inquiry.*

Section 15. KRS 341.190 is amended to read as follows:

(1) Each employing unit shall keep true and accurate work records of all workers employed by it, of the wages paid by it to each worker, and such other information as the secretary for human resources considers necessary for the proper administration of this chapter. Such records shall be open for inspection and subject to being copied by the secretary or his authorized representatives at any reasonable time and as often as necessary.

(2) The secretary for human resources may require any employing unit to furnish to the department at its central office from time to time information concerning the total amounts of wages paid, total number of persons employed, an individual record of each worker employed, an individual record of each worker whose employment has been terminated or who has been laid off, an individual wage and hour record of each worker employed part time entitled to benefits, and other related matters, including hours worked, which the secretary for human resources considers necessary to the effective administration of this chapter.

(3) All letters, reports, communications, and other matters, written or oral, from employer or worker, to the secretary for human resources or any of his agents, representatives, or employees, or to the commission, or to any board or official functioning under this chapter, which have been written, sent, or made in connection with the requirements and administration of this chapter, shall be absolutely privileged and shall not be the subject matter or basis for any suit for slander or libel in any court, but no employer or employee, or his representative, testifying before the commission, the secretary for human resources or any duly authorized representative thereof, shall be exempt from punishment for perjury. Information thus obtained shall not be published or be open for public inspection except to public employees in the performance of their duties, in any manner revealing or indicating the employing unit's identity, but any claimant at a hearing before the commission, the secretary for human resources or his duly authorized representative, shall be supplied with information from such records to the extent necessary for the proper presentation of his claim.

(4) *In regard to certain information, employers may waive the right to confidentiality granted in subsection (3) of this section in order to qualify for programs of financial assistance offered by the state. This waiver shall apply only to the following information:*

(a) *The total number of persons employed by an employer or employed in the appropriate subunit of an employer's operation; and*

(b) *The summary amount of wages paid to employees in a business or appropriate subunit.*

This waiver shall not be interpreted to permit the release of any information pertaining to an individual employee or which identifies individual employees.

Section 25. KRS 341.220 is amended to read as follows:

(1) In the administration of this chapter, the secretary shall:

(a) To the fullest extent consistent with the provisions of this chapter, cooperate with the federal department of labor;

(b) Make such reports in such form and containing such information as such agency may from time to time require;

(c) Comply with such provisions as such agency may from time to time find necessary to assure the correctness and verification of such reports; and

(d) Comply with the provisions of title III of the social security act relating to the expenditure of such funds as may be allotted and paid to this state for the purpose of assisting in the administration of this chapter.

(2) Upon request therefor the secretary shall furnish to any agency of this or any other state or the United States charged with the administration of public works or assistance, through public employment or otherwise, the name, address, ordinary occupation and employment status of each recipient of benefits and such recipient's rights to further benefits under this chapter.

(3) The secretary may make records relating to the administration of this chapter available to the railroad retirement board and may furnish the railroad retirement board, at the expense of that board, as many copies thereof as the board requests.

(4) The secretary may afford reasonable cooperation, including reciprocal collection of contributions by the enforcement of foreign judgments, with every agency of any state or of the United States charged with the responsibility of administering an unemployment insurance law.

(5) The secretary shall require employment offices in this state, upon request of a public agency administering or supervising the administration of a state plan approved under part A of title IV of the social security act or of a public agency charged with any duty or responsibility under any program or activity authorized or required under part D of title IV of such act, shall, and, notwithstanding any other provision of law, is hereby authorized to furnish to such agency making the request, from any data contained in the

files of any such employment office, information with respect to any individual specified in the request as to (a) whether such individual is receiving, has received, or has made application for unemployment compensation, and the amount of any such compensation being received by such individual; (b) the current (or most recent) home address of such individual; and (c) whether such individual has refused an offer of employment, and, if so, a description of the employment so offered and terms, conditions, and rate of pay therefor, provided that the secretary shall require employment offices in this state to furnish such other information as shall be required by the regulations of the secretary of health, education and welfare.

(6) The secretary, upon request of a public agency and presentation of an employer's waiver of confidentiality as described in KRS 341.190(4), shall, on a timely basis and in a form useful to the requesting agency, provide the information requested and other non-employee specific information which will assist the requesting agency in fulfilling its statutory mandates."

Floor Amendment No. 2 to SB 202, by Representative Freibert:

Amend printed copy of GA copy of SB 202 on page 29, following line 24, insert the following:

"SECTION 14. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

(1) The commerce cabinet shall conduct an annual evaluation of each economic development bond fund project which has been funded by the cabinet according to the selection criteria and the state's overall economic development program. This analysis, along with the documentation upon which the analysis is based, shall be submitted to the legislative research commission for referral to the appropriate committee.

(2) All commerce cabinet economic development bond program funding agreements shall require an officer of the receiving business to waive confidentiality rights relating to unemployment insurance information filed on behalf of the business with the cabinet for human resources. The waiver shall permit the secretary of commerce or his designee to collect, examine and publish summary employment information filed by the business receiving funds pursuant to KRS 341.005. The waiver shall include a period of two (2) years prior to the closing of the agreement and ending six (6) years after the agreement. The data shall include:

(a) The total number of persons employed by the business or the subunit of the business being funded; and

(b) The summary amount of wages paid to employees in the business or appropriate subunit. This waiver shall not be interpreted to permit the release of any information pertaining to an individual employee or which identifies individual employees.

(3) Any business seeking assistance from the economic development bond fund after July 15, 1988, for which the waiver described in subsection (2) of this section is not signed, shall not be eligible to receive assistance."

Floor Amendment No. 3 to SB 202, by Representative K. Harper:

Amend printed copy of GA copy of SB 202 on page 29, following line 24, insert the following:

"SECTION 14. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

(1) The commerce cabinet shall, thirty (30) days prior to the commitment of funds, submit to the state property and buildings commission and the legislative research commission, for referral to the appropriate committee. The following information shall be provided for each proposed economic development bond fund project:

(a) A copy of the final proposed commitment contract and related agreements;

(b) The project's estimated job creation and job retention;

(c) The estimated percentage of public and private local involvement;

(d) The project's estimated payback and contribution in retiring the associated debt obligation;

- (e) *The amount of the proposed funding;*
 - (f) *The terms of repayment including the interest rate, term and schedule of payments;*
 - (g) *An explanation of the funding terms;*
 - (h) *The degree to which the project would compete with similar businesses in the area;*
 - (i) *A list of the principal owners, partners, and stockholders who own twenty percent (20%) or more of the business, and of the officers and directors of the project to be funded; and*
 - (j) *The amendments to the above as they occur.*
- (2) *If the appropriate interim committee disapproves a decision to fund a proposed project, the decision shall not be implemented unless it is:*
- (a) *Revised to comply with the objections of the committee; or*
 - (b) *The committee is informed, in writing, in explanatory detail, within thirty (30) days of the committee's disapproval, that a determination has been made not to comply with the objections of the committee.*
- (3) *A biennial report shall be submitted with the budget request that includes the amount of economic development bond fund proceeds still available, the amount of interest earned on unused proceeds, any refundings of economic development bonds, a list of loans, grants or other forms of assistance made and to whom, the original and remaining amount of each loan, the principal and interest repaid in that fiscal year and the disposition of these funds."*

Floor Amendment No. 1 to **SB 244**, by Representative Farrow:

Amend printed copy of **SB 244** on page 2, after line 3, by adding the following:

"SECTION 2. A NEW SECTION OF KRS CHAPTER 244 IS CREATED TO READ AS FOLLOWS:

No person licensed to sell malt beverages shall be prohibited from purchasing such malt beverages from a brewer, wholesaler or distributor on credit extended to the licensee."

Floor Amendment No. 1 to **SB 286**, by Representative Arnold:

Amend printed copy of GA copy of **SB 286** on page 8, after line 8, by adding the following:

"Section 4. KRS 158.070 is amended to read as follows:

(1) *The minimum school term shall be one hundred eighty-five (185) days and shall include no instructional days with pupils in attendance prior to the first Tuesday after the first Monday in September each year, except the instructional days with pupils in attendance may begin earlier upon approval by the superintendent of public instruction, but in no event earlier than the last Monday in August. Exemptions shall be granted only to school districts which have a history of missing fifteen (15) or more days of school per year due to inclement weather. A school calendar consisting of one hundred eighty-five (185) days, of which one hundred seventy-five (175) are designated for instruction with pupils in attendance, shall be submitted, to the superintendent of public instruction for approval, by the local board of education. A board of education may extend its term beyond the minimum term set by the superintendent of public instruction. In setting the school calendar, school shall be closed for two (2) consecutive days for the purpose of permitting professional school employees to attend statewide professional meetings. These two (2) days for statewide professional meetings shall be scheduled to begin with the first Thursday after Easter or upon request of the statewide professional educational association having the largest paid membership, the superintendent of public instruction may designate alternate dates. Furthermore, the superintendent of public instruction shall designate one (1) additional day during the school year when schools shall be closed for the purpose of permitting professional school employees to participate in regional or district professional meetings. These three (3) days so designated for attendance at professional*

meetings shall not be counted as a part of the minimum school term.

(2) Any local board of education operating its schools on a year-round school program basis shall conform with regulations promulgated and adopted by the state board of education upon the recommendation of the state superintendent of public instruction, which regulations must be in conformity with the following criteria:

(a) The year-round school program shall be operated on a fiscal year beginning July 1 and ending June 30;

(b) A pupil's required attendance in school shall be for at least the minimum term; and

(c) No teacher shall be required to teach more than the minimum term during the school year.

(3) Each local board of education shall use four (4) days of the minimum school term for in-service professional development and planning activities for the professional staff without the presence of pupils. The board of education of any school district may use up to a maximum of four (4) days of the minimum school term for holidays, provided, however, any holiday which occurs on Saturday may be observed on the preceding Friday; two (2) days for the opening and closing of schools without the presence of pupils, one (1) day of which may be used at the beginning of the second semester; the number of days deemed necessary for:

(a) National or state disaster or mourning when proclaimed by the President of the United States or the governor of the Commonwealth of Kentucky; and

(b) Local disaster which would endanger the health or safety of children or mourning when so designated by the district board of education and approved by the state board of education upon recommendation of the superintendent of public instruction, and shall use one (1) day of excused absence for attendance at the Kentucky state fair for students applying for excused absence for this purpose.

(4) The state board of education, upon recommendation of the superintendent of public instruction, shall adopt regulations governing the use of school days, including days missed from the regular school day as a result of local disaster, as defined in subsection (3)(b) of this section, and regulations setting forth the guidelines and procedures to be observed for the approval of the days utilized for the opening and closing of school and the days utilized for in-service professional development and planning activities for the professional staff."

Floor Title Amendment to **SB 286**, by Representative Arnold:

Amend printed copy of GA copy to **SB 286** by amending the title to read as follows:

"AN ACT relating to education."

Floor Amendment No. 1 to **SB 300**, by Representative Morris:

Amend printed copy of GA copy of **SB 300** on page 2, by inserting after line 6, the following: "Section 2. KRS 141.021 is amended to read as follows:

(1) Notwithstanding the provisions of KRS 141.010, federal military retirement annuities *other than those set out in subsection (2) of this section* shall be excluded from the gross income of persons fifty (50) years of age or older, and federal retirement annuities shall be excluded from the gross income of persons receiving annuities from a federal retirement system and who are fifty (50) years of age or older, subject to the following limitations:

If Earned Income From Sources Other Than Annuities Described Above Is:	The Maximum Annuity Exclusion Is:
\$3,000 or Less	\$4,000
3,001 to 4,000	3,000
4,001 to 5,000	2,000
5,001 to 6,000	1,000
Over 6,000	0

(2) Notwithstanding the provisions of KRS 141.010 or the provisions of subsection (1) of this section, federal military retirement annuities shall be excluded from the gross income of persons who have retired from the federal military when at the time of such retirement the individual was on active duty and was stationed in the Commonwealth of Kentucky."

Floor Title Amendment to **SB 300**, by Representative Morris:

Amend printed copy of GA copy of **SB 300** on page 1, changing the title to read "AN ACT relating to revenue and taxation."

Floor Amendment **No. 1** to **SB 303**, by Representative Northup:

Amend printed copy of GA copy of **SB 303** on page 9, after line 6, by adding the following:

"Section 5. KRS 161.030 is amended to read as follows:

(1) The certification of all teachers and other school personnel is vested in the state board of education. When so certified, teachers and other school personnel shall not be required to have licensure, certification, or other forms of approval from any other state agency for the performance of their respective assignments within the common schools. All certificates authorized under KRS 161.010 to 161.126 shall be issued in accordance with the published rules and regulations of the state board of education.

(2) Certificates shall be issued to persons who have completed, at such colleges and universities as have been approved by the state board of education for the preparation of teachers and other school personnel, the curricula prescribed by the Kentucky council on teacher education and certification and approved by the state board of education for the certificates.

(3) Initial certification of all new teachers shall require the successful completion of appropriate written tests prior to certification. The tests shall be selected by the state board of education and shall measure communication skills, general knowledge, professional education concepts and knowledge in the specific teaching field of the applicant. The state board of education shall determine the minimum acceptable level of achievement on each test. The tests shall measure those concepts, ideas, and facts which are being taught in teacher education programs in Kentucky. Upon successful completion of the tests and the approved teacher preparation program, a certificate valid for one (1) year shall be issued. If an out-of-state teacher with less than two (2) years experience comes to Kentucky after the deadline for taking the written tests, a temporary certificate may be issued for a period up to six (6) months provided the local board cannot fill the vacant position with a certified teacher. The teacher shall take the tests if they are administered during the period of the temporary certificate. The certificate shall be extended for the remainder of the year if the teacher successfully completes the tests. In the event the teacher fails the tests, the temporary certificate shall be valid only for the current semester.

(4) A reasonable fee to be paid by the teacher and directly related to the actual cost of the administration of the tests shall be established by the state board of education. Provisions shall be made for persons having less than minimum levels of performance on any test to repeat that test, and candidates shall be informed of their strengths and weaknesses in the specific performance areas. The department of education shall provide for confidentiality of the individual assessment scores. Scores shall be available only to the candidate and to the education officials who are responsible for determining whether established certification standards have been met. Scores shall be used only in the assessment for certification of new teachers and of out-of-state teachers with less than two (2) years of teaching experience who are seeking initial certification in Kentucky.

(5) All new teachers, and out-of-state teachers with less than two (2) years of successful teaching experience who are seeking initial certification in Kentucky shall serve a one (1) year internship. The teacher shall be a full-time employee or shall have an annual contract and serve on at least a half-time basis and shall have supervision, assistance, and assessment during the one (1) year internship. *The internship may be served in a public school or a nonpublic school which has been accredited by the state department of education or a national accrediting association.* Successful completion shall be determined by a majority vote of the beginning teacher committee. The internship period shall be counted as experience for the purpose of continuing contract status, retirement eligibility and benefits for single salary experience increments. Upon successful completion of the beginning teacher program the one (1) year initial teaching certificate shall be extended for the remainder of the usual duration period established for that particular certificate by state board of education regulations.

(6) The beginning teacher committee shall be composed of three (3) persons who have successfully completed special training in the supervision and assessment of the performance of beginning teachers as provided in subsection (8) of this section. The committee shall consist of a resource teacher, the school principal of the school where the internship is served, and a teacher educator from a state-approved teacher training institution to be appointed by the president of that institution. In the event that more than two (2) teacher interns are employed in the same school, the principal's responsibility may be shared with an assistant principal who holds certification as a principal. In unusual situations the superintendent of public instruction may permit the assistant principal to serve in lieu of the principal on a beginning teacher committee. In the event the teacher training institution is unable to provide a member, the district superintendent shall appoint an instructional supervisor from the school district. *In the case of a nonpublic school, if the teacher training institution is unable to provide a member to serve on the beginning teacher committee, the chief officer of the school shall appoint an instructional supervisor or a teacher with like qualifications and responsibilities to serve on the beginning teacher committee in lieu of the teacher educator.* The resource teacher shall be appointed by the department of education from a pool of qualified resource teachers, and, any statutes to the contrary notwithstanding and to the extent of available appropriations, shall be entitled to be paid a reasonable stipend by the department of education for work done outside normal working hours. *In the case of a resource teacher in a nonpublic school, payment shall be made directly to the resource teacher by the department of education.* Priority shall be given to resource teachers with the same certification as the teacher intern in the following order:

- (1) Teachers in the same school;
- (2) Teachers in the same district; and
- (3) Teachers in an adjacent school district.

The committee shall meet with the beginning teacher a minimum of three (3) times per year for evaluation and recommendation with all committee members present. In addition, each member of the committee shall observe the beginning teacher in the classroom a minimum of three (3) times per year. If the teacher's first year performance is judged by the committee to be less than satisfactory, the teacher shall be provided with an opportunity to repeat the internship one (1) time if the teacher is employed by a school district.

(7) The resource teacher shall spend a minimum of seventy (70) hours working with the beginning teacher; twenty (20) of these hours shall be observing the beginning teacher in the classroom setting; fifty (50) of these hours shall be in consultation other than class time or attending assessment meetings. The resource teacher shall have completed at least four (4) years of successful teaching experience as attested to by his or her immediate supervisor or by having achieved tenure and be able to show evidence of continuing professional development by having achieved a master's degree or its equivalent or the accumulation of two thousand (2,000) hours of continuing professional activities.

(8) By contract with teacher education institutions in the Commonwealth, the superintendent of public instruction shall provide special training for persons who will be serving on the beginning teacher committees. Completion of special training shall be evidenced by successfully passing the examinations as prescribed by the state board of education.

(9) In the event an applicant establishes eligibility for a one (1) year certificate under the provisions of subsection (3) of this section, but does not become employed on the basis needed to satisfy the one (1) year internship requirement, the applicant shall be eligible for the issuance of a certificate for substitute teaching as provided by the regulations of the state board of education. The applicant shall remain eligible for the one (1) year certificate as provided in subsection (3) and for the opportunity to serve the internship for a period of four (4) years after establishing eligibility. If the internship is not completed within the four (4) year period, the applicant must re-establish eligibility by repeating and passing the testing program in effect for new teachers at that time.

(10) The state board of education shall approve the curricula of any standard college or university, or of any department thereof for the training of teachers, when the curricula comply with the rules and regulations of the state board of education for the issuance of certificates and when the institution has met the terms and conditions provided in KRS 161.010 to 161.120. Any student who has completed any of these curricula as approved by the state board of education, and who has completed the prescribed requirements for the issuance of certificates shall be granted a certificate corresponding to the curricula completed."

Floor Title Amendment to **SB 303**, by Representative Northup:

Amend printed copy of GA copy of **SB 303** by amending the title to read as follows:

"AN ACT relating to education."

Floor Amendment No. 1 to **SB 336**, by Representative Arnold:

Amend printed copy of GA copy of **SB 336** on page 4, line 26, by adding after "18A.225(2)" the words "*or to premiums received on policies of public service companies that pay ad valorem taxes*".

The Clerk announced the following meetings:

The Committee on Judiciary-Civil, March 23, 1988, fifteen minutes upon adjournment, Room 109.

The Committee on Appropriations and Revenue, March 23, 1988, 10:00 a.m., Room 109.

The Committee on State Government, March 23, 1988, 12 Noon, Room 116.

The Committee on Transportation, March 23, 1988, 1:30 p.m.

The Committee on Energy, March 23, 1988, 11:00 a.m.

The Committee on Cities, March 23, 1988, 12 Noon.

The Committee on Counties and Special Districts, March 23, 1988, 8:30 a.m.

Adjournment

Representative Stumbo moved that the House adjourn until 2:00 p.m., Wednesday, March 23, 1988.

The motion that the House adjourn until 2:00 p.m., Wednesday, March 23, 1988 was adopted by voice vote.

WEDNESDAY, MARCH 23, 1988

FIFTY-FIRST LEGISLATIVE DAY

The House was called to order by Speaker Blandford.

Prayer by Father J. Williamson Brown, Church of the Ascension, Frankfort.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All members present except Representative Yates.

Representative McElroy moved that the absent member be granted leave of absence in accordance with the rules of the House. Agreed.

Representative McElroy moved that the reading of the Journal of March 22, 1988 be dispensed with and the same approved. Agreed.

Senate Message

Announcing the passage of **SJR 90, HB 570** with Senate Amendments, **HB 658** with Senate Amendment, **HB 670** with Senate Amendment, **HJR 46** with Senate Amendments, **HCR 48** with Senate Amendments, **HB 64, HB 238, HB 244, HB 378, HB 487, HB 597, HB 625, HB 687, HB 689, HB 722, HB 733, HB 769** and **HB 796**.

Introduction of Resolutions

HR 185, by Representative A. Jones: A RESOLUTION honoring Kurt Barber.

HR 186, by Representatives Noland, Deskins, Ackerson, Adams, Adkins, Altman, Ark, Arnold, Ballard, Barrows, Blevins, Bronger, J. Brown, M. Brown, Bruce, Burch, Callahan, Castleman, L. Clark, P. Clark, Cline, Cyrus, Gedling, Geveden, Gray, Gregory, Guenther, Handy, J. Harper, K. Harper, Hoover, Hourigan, Jackson, A. Jones, R. Jones, Keith, Layman, Lear, Lefevers, LeMaster, Lile, Long, Lundergan, Lyne, Mack, Maggard, Mason, McElroy, Meyer, Moberly, Napier, Noe, O'Brien, Preston, Pritchett, Reinhardt, B. Richardson, P. Richardson, Ridley, Riner, Robinson, Scorsone, Siler, B. Smith, R. Smith, Strong, Todd, Turner, Walker, White and Worthington: A RESOLUTION directing the Secretary of the Transportation Cabinet to name the new rest area on the Mountain Parkway for Junior Williamson.

Representative A. Jones moved that the rules be suspended to act upon a Resolution. Agreed.

Representative A. Jones moved the adoption of the following **HR 185**:

HR 185, A RESOLUTION honoring Kurt Barber.

WHEREAS, Kurt Barber is a senior at Paducah Tilghman High School; and

WHEREAS, Kurt Barber has excelled in the sport of football and played the positions of linebacker, running end and flanker back; and

WHEREAS, among the many honors presented him, Kurt Barber was chosen 1987-88 Mr. Football of Kentucky, and was named to the Bally Top 25 All-American Team in the Nation, to the Super-Prep All-American High School Team, to the Associated Press All-State First Team, to the United Press International All-State First Team and to the All-West Kentucky Conference Team; and

WHEREAS, Kurt Barber, due to his outstanding achievements in the sport of football, is the recipient of a football scholarship with the University of Southern California; and

WHEREAS, the honors bestowed upon Kurt Barber favorably reflect upon his community and the Commonwealth of Kentucky;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House of Representatives commends Kurt Barber for his exceptional abilities in the sport of football and wishes him continued success in future endeavors.

Section 2. That the Clerk of the House of Representatives is directed to send a copy of this resolution to Mr. Kurt Barber, 1340 Reed Avenue, Paducah, Kentucky, 42001.

HR 185 was adopted by voice vote.

Report of Committees

The Committee on Counties and Special Districts reported SB 37, with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 37, AN ACT relating to volunteer fire departments.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 75 IS CREATED TO READ AS FOLLOWS:

As used in this Act, "volunteer fire protection association" means any volunteer fire department, funded partially or wholly by membership or subscriber fees, and recognized by the department of housing, buildings and construction as operated and maintained on a nonprofit basis in the interest of the health, safety, prosperity and security of the inhabitants of the Commonwealth. It does not mean any fire protection district or volunteer fire department district which levies a property tax pursuant to KRS 75.040.

SECTION 2. A NEW SECTION OF KRS CHAPTER 75 IS CREATED TO READ AS FOLLOWS:

A volunteer fire protection association, which exercises the powers of this Act to collect charges for combatting fires on the property of nonmembers or nonsubscribers, shall limit its annual charge for the service of responding to and combatting fires on the property of members or subscribers to no more than fifty dollars (\$50) per residential unit. The association may charge higher rates to commercial, industrial and institutional subscribers, which shall be determined through negotiations with those subscribers.

SECTION 3. A NEW SECTION OF KRS CHAPTER 75 IS CREATED TO READ AS FOLLOWS:

(1) A volunteer fire protection association shall identify its proposed boundaries and file the same with the clerk of the fiscal court. The boundaries of the association shall not encompass any territory that is at that time or may thereafter be included in any fire protection district or volunteer fire department district created under KRS 75.010 or in any city of this Commonwealth which maintains a "regular fire department." The association shall prepare and file an amended statement of its boundaries to delete any territory within its boundaries that is affected by annexation of territory under KRS 75.020 or by municipal incorporation or annexation by a city that maintains or establishes a "regular fire department." No new association shall include within its boundaries territory already within the boundaries of an established association; but, by mutual agreement, associations with adjacent service areas may propose new boundaries and file amended statements of boundaries to reflect this proposed agreement.

(2) If the fiscal court finds that the proposed boundaries are in conformity with the provisions of subsection (1) of this section, it shall vote, after a public hearing, to approve or disapprove the proposed boundaries. No sooner than thirty-one (31) days from approval, or if the decision is appealed, upon final action on appeal, any approved boundaries of the association shall be filed of record with the county clerk. The association shall come into being for the purposes of this Act only upon the filing of its approved boundaries.

(3) *A volunteer fire protection association may respond to any fire within its boundaries regardless of whether the property owner is a member of or subscriber to the association.*

(4) *In responding to fires of nonmembers or nonsubscribers of the association, the association and its firefighters shall be subject to the same liabilities for claims for death or injury to persons or property as those subjected to when responding to fires of members or subscribers.*

SECTION 4. A NEW SECTION OF KRS CHAPTER 75 IS CREATED TO READ AS FOLLOWS:

(1) *Any citizen living within the proposed boundaries of an association may, within thirty (30) days of the decision of the fiscal court, appeal the decision of the fiscal court on the approval of the boundaries to the circuit court.*

(2) *The circuit court may affirm the action of the fiscal court, remand the matter to the fiscal court for additional findings, or reverse the action of the fiscal court and order approval or disapproval of the boundaries. The circuit court may reverse the action of the fiscal court only if such decision is found to be arbitrary or capricious or not to be in conformity with the provisions of subsection (1) of Section 3 of this Act.*

(3) *No new or additional evidence may be introduced in the circuit court except as to fraud or misconduct affecting the decision of the fiscal court.*

SECTION 5. A NEW SECTION OF KRS CHAPTER 75 IS CREATED TO READ AS FOLLOWS:

(1) *In responding to fires of nonmembers or nonsubscribers, the volunteer fire protection association may charge up to the following fees:*

(a) *One hundred dollars (\$100) for responding to a fire call or alarm;*

(b) *Five hundred dollars (\$500) for each hour or a proportional sum for each quarter hour spent in combatting a fire; plus*

(c) *An amount equal to one (1) year's subscription or membership fees.*

No property owner shall be liable for fees or charges under this subsection if said property owner notifies the volunteer fire protection association in writing, prior to the occurrence of a fire, not to respond to a fire on his property.

(2) *Upon payment of the charges and fees set forth in subsection (1)(c) of this section, the property owner shall be deemed to be a member or subscriber in good standing until membership or subscriber payments are again due as prescribed by association rules and regulations.*

SECTION 6. A NEW SECTION OF KRS CHAPTER 75 IS CREATED TO READ AS FOLLOWS:

(1) *When making a claim for a loss to property, each owner of an insured property, who is not a member or subscriber of an association but who received services from a volunteer fire protection association, shall notify his property or casualty insurance company of the name, address and billing statement from the volunteer fire protection association which responded to a call for fire protection assistance at such property. Failure to comply with the provisions of this subsection is a violation by the insured property owner.*

(2) *In paying a claim to an insured who received the services of a volunteer fire protection association, any property or casualty insurance company shall make checks payable to the order of both the insured and the volunteer fire protection association.*

(3) *If an insured property owner receives a check under subsection (2) of this section, he shall make full payment to the association within thirty (30) days after receipt of a loss settlement check from an insurance carrier. Failure to comply with this provision is a violation by the insured property owner.*

(4) *A property and casualty company insuring property subject to a claim for the fees of a volunteer fire*

protection association under this section may issue a separate check to the volunteer fire protection association for its services. Such payment shall be made within thirty (30) days of receipt of the notice of claim.

SECTION 7. A NEW SECTION OF KRS CHAPTER 75 IS CREATED TO READ AS FOLLOWS:

If payment is not made pursuant to Section 5 of this Act, a volunteer fire protection association shall have a cause of action against the property owner for full payment and for additional damages not to exceed ten thousand dollars (\$10,000).

The Committee Amendment No. 1 to **SB 37** is as follows:

Amend printed copy of GA Copy of **SB 37** on page 4, line 19, by deleting all language after "(b)"; and
on page 4, by deleting lines 20 and 21; and
on page 4, line 22, by deleting "(c)"; and
on page 5, line 23, by deleting "both" and "and the volunteer"; and
on page 5, line 24, by deleting "fire protection association"; and
on page 5, by deleting lines 11 through 17.

The Committee on Energy reported **HR 163** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HR 163. A RESOLUTION directing the Interim Joint Committee on Energy to study the problems associated with the disposal of wood waste generated by the forest products industry.

WHEREAS, Kentucky is the nation's fourth largest producer of hardwoods; and

WHEREAS, the state's forest products industry currently generates over seven hundred and seventy-three million dollars (\$773,000,000) in annual sales; and

WHEREAS, the average wood producer in the state produces in excess of twenty (20) tons of sawdust per day; and

WHEREAS, the industry is restricted by current environmental standards as to the disposal of the wood waste; and

WHEREAS, the problems associated with the disposal of wood waste threatens the existing forest products industry and is hampering further expansion of the industry; and

WHEREAS, there are forty-eight (48) boilers in the state that use wood waste as a fuel source and great potential exists to increase this number;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Interim Joint Committee on Energy is directed to study the problems associated with the disposal of wood waste generated by the forest products industry. In its study, the committee should consider all alternatives to ease wood waste disposal problems, including the generation of energy from wood waste.

Section 2. That the Interim Joint Committee on Energy shall submit a report and recommendations to the Legislative Research Commission no later than August 31, 1989.

Section 3. Staff services to be utilized in completing this study are estimated to cost \$20,000. These staff services shall be provided from the regular commission budget and are subject to the limitations and other responsibilities of the Commission.

The Committee on Health and Welfare reported **HCR 141, SB 235** with Committee Substitute and Committee Amendment attached thereto, and **SCR 82** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

HCR 141. A CONCURRENT RESOLUTION requesting the Legislative Research Commission to conduct a study of amyotrophic lateral sclerosis, commonly known as "Lou Gehrig's disease," in Kentucky.

WHEREAS, amyotrophic lateral sclerosis, (ALS) is a deadly muscle and nerve disease closely related to multiple sclerosis which attacks otherwise healthy adults; and

WHEREAS, at any time as many as seventeen thousand (17,000) Americans suffer from the disease; and

WHEREAS, preliminary information suggests that Kentucky may have a higher than average prevalence of the disease; and

WHEREAS, persons afflicted with ALS may have remaining several productive years after the onset of the affliction if they are provided proper diagnosis, medical treatment and support; and

WHEREAS, the extent to which appropriate care is available in the Commonwealth is unknown;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. The Legislative Research Commission shall conduct a study of amyotrophic lateral sclerosis in the Commonwealth. This study shall be a needs assessment which ascertains the following:

- (1) The number of ALS victims in Kentucky;
- (2) The medical and socio-economic characteristics of the victims;
- (3) Environmental patterns, if any, which accompany the distribution of the disease;
- (4) The awareness of practitioners of ALS as a possible diagnosis;
- (5) The availability of medical treatment for the condition; and
- (6) The availability of appropriate social and psychological support in the patients' homes and communities.

Section 2. This report shall be submitted to the General Assembly not later than October 1, 1989.

Section 3. Staff services to be utilized in completing this study are estimated to cost ten thousand dollars (\$10,000). These staff services shall be provided from the regular Commission budget and are subject to the limitations and other research responsibilities of the Commission.

SB 235. AN ACT relating to vital statistics.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

As used in this chapter, unless the context requires otherwise:

- (1) "Cabinet" means the cabinet for human resources;
- (2) "Secretary" means the secretary for human resources;
- (3) "Vital statistics" means the data derived from certificates and reports of birth, death, spontaneous fetal death, induced termination of pregnancy, marriage, dissolution of marriage, and related reports;
- (4) "System of vital statistics" means the registration, collection, preservation, amendment and certification of vital records, the collection of other reports required by this Act, and activities related thereto including the tabulation, analysis and publication of vital statistics;
- (5) "Vital records" means certificates or reports of birth, death, fetal death, marriage, dissolution of marriage, or annulment and data related thereto;
- (6) "Registration" means the acceptance by the vital statistics office and the incorporation of vital records provided for in this Act into its official records;
- (7) "File" means the presentation of a vital record provided for in this Act for registration by the vital statistics office;
- (8) "Institution" means any establishment, public or private, which provides in-patient medical, surgical, or diagnostic care or treatment or nursing, custodial, or domiciliary care, or to which persons are committed by law;
- (9) "Live birth" means the complete expulsion or extraction from its mother of a product of human conception, irrespective of the duration of pregnancy, which, after such expulsion or extraction, breathes, or shows any other evidence of life, such as beating of the heart, pulsation of the umbilical cord, or definite movement of voluntary muscles, whether or not the umbilical cord has been cut or the placenta is attached;
- (10) "Fetal death" means death prior to the complete expulsion or extraction from its mother of a product of human conception, irrespective of the duration of pregnancy; the death is indicated by the fact that after such expulsion or extraction the fetus does not breathe or show any other evidence of life such as beating of the heart, pulsation of the umbilical cord, or definite movement of voluntary muscles. This definition shall exclude induced termination of pregnancy;
- (11) "Sudden infant death syndrome" means the death of an ostensibly healthy child who is two (2) weeks of age or older but less than three (3) years of age, which occurs suddenly and unexpectedly, with no known or apparent cause, and which remains unexplained after the performance of an autopsy;
- (12) "Induced termination of pregnancy" means the purposeful interruption of pregnancy with the intention other than to produce a live-born infant or to remove a dead fetus and which does not result in a live birth. This definition shall exclude management of prolonged retention of product of conception following fetal death;
- (13) "Dead body" means a human body or such parts of such human body from the condition of which it reasonably may be concluded that death recently occurred;
- (14) "Provisional death certificate" means an interim certificate identifying the deceased and authorizing a funeral director, or person acting as such, to take custody of the body and, except for cremation, to make final disposition;
- (15) "Final disposition" means the burial, interment, cremation, removal from the Commonwealth, or other authorized disposition of a dead body or fetus.

SECTION 2. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

There shall be established in the department for health services, cabinet for human resources, a vital statistics

program which shall maintain and operate the only official system of vital statistics in the Commonwealth.

SECTION 3. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

The cabinet for human resources shall adopt rules and regulations pursuant to KRS Chapter 13A for the purpose of carrying out the provisions of this Act.

SECTION 4. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

The secretary of human resources shall designate the state registrar of vital statistics hereinafter referred to as "state registrar," in accordance with merit system laws and regulations pursuant to KRS Chapter 13A.

SECTION 5. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

The state registrar, under the supervision of the commissioner of health, shall:

(1) Administer and enforce the provisions of this Act and the rules and regulations issued hereunder pursuant to KRS Chapter 13A; issue instructions for the efficient administration of the system of vital statistics; direct the system and office of vital statistics and be custodian of its records, supervise the activities of all persons when they are engaged in the operation of the system; and conduct training programs to promote uniformity of the system's policy and procedures throughout the Commonwealth;

(2) Design, furnish and distribute forms required by this Act and the rules and regulations issued hereunder pursuant to KRS Chapter 13A, or prescribe other means for transmission of data to accomplish the purpose of complete and accurate reporting and registration, provided, however, that on and after January 1, 1989, the complete form of the birth certificate shall first be submitted for public review by representatives of health care providers, citizen advocacy groups, the legal profession and any other interested group or individual. Any changes resulting from the hearings shall be submitted through the regulation review process pursuant to KRS Chapter 13A;

(3) Assist in preparing and publishing reports of vital statistics of the Commonwealth and other reports as required;

(4) Provide to county health departments copies of or data derived from certificates and reports required under this Act. The state registrar shall establish a schedule with each county health department for transmittal of the copies or data. The copies shall remain the property of the office of vital statistics, and the uses which may be made of them and the period of their retention in the county shall be governed by the state registrar;

(5) Prepare and maintain a complete continuous index of all vital records registered under this Act and provide, at not more than two (2) year intervals, a copy of the index to each local registrar; and

(6) Investigate cases of irregularity or violation of this Act and, when the cabinet deems it necessary, report violations to the Commonwealth's attorney of the proper county for prosecution.

SECTION 6. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

(1) Each county in the Commonwealth shall constitute a registration district for the purposes of carrying out the provisions of this chapter.

(2) The secretary shall, upon the recommendation of the state registrar, designate a local registrar in each registration district to aid in the efficient administration of the system of vital statistics. The local registrar shall be an employe of the local health office. The designation may be revoked by the secretary.

(3) The local registrar may designate one (1) or more employes of the local health office as deputy registrar. The local registrar may also appoint persons as deputy registrars who are not employes of the local health office, if, in the opinion of the cabinet, the appointments are necessary. All appointments shall be subject to the approval of the state registrar.

SECTION 7. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

(1) *In order to promote and maintain nationwide uniformity in the system of vital statistics, the forms of certificates and reports required by this Act, or by regulations adopted hereunder pursuant to KRS Chapter 13A, shall consider as a minimum the items recommended by the federal agency responsible for national vital statistics.*

(2) *Each certificate, report, and other document required by this Act shall be on a form or in a format prescribed by the cabinet with due consideration for national uniformity. All certificates shall be written legibly in unfading black ink, or typewritten.*

(3) *No certificate shall be held to be complete and correct that does not supply all items of information called for therein or satisfactorily account for their omission, except as provided in KRS 199.570(3). If a certificate is incomplete, the registrar shall immediately notify the certifier and require him to supply the missing items if they can be obtained.*

(4) *All vital records shall contain the date received for registration.*

(5) *No person shall charge or collect from any member of a family in which a birth or death occurs, any fee for completing and filing a report, or any other act or duty imposed upon them by this Act.*

SECTION 8. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

(1) *A certificate of birth for each live birth which occurs in the Commonwealth shall be filed with the local registrar within ten (10) days after such birth, and shall be registered if it has been completed and filed in accordance with this section.*

(2) *When a birth occurs in an institution or en route thereto, the person in charge of the institution, or the person's designated representative, shall obtain the personal data, prepare the certificate, secure the signatures required, and file the certificate as directed in subsection (1) of this section or as otherwise directed by the state registrar within the required ten (10) days. The physician or other person in attendance shall provide the medical information required by the certificate and certify to the facts of birth within ten (10) days after the birth. If the physician, or other person in attendance, does not certify to the facts of birth within the ten (10) day period, the person in charge of the institution shall complete and sign the certificate.*

(3) *When a birth occurs outside an institution, the certificate shall be prepared and filed by one (1) of the following in the indicated order of priority:*

(a) *The physician in attendance at or immediately after the birth, or in the absence of such a person;*

(b) *Any other person in attendance at or immediately after the birth, or in the absence of such a person;*

(c) *The father, the mother, or in the absence of the father and the inability of the mother, the person in charge of the premises where the birth occurred or the institution to which the child was admitted following the birth.*

(4) *No physician, midwife, or other attendant shall refuse to sign or delay the filing of a birth certificate.*

(5) *If a birth occurs on a moving conveyance within the United States and the child is first removed from the conveyance in the Commonwealth, the birth shall be registered in the Commonwealth and the place where it is first removed shall be considered the place of birth. If a birth occurs on a moving conveyance while in international waters or air space or in a foreign country or its air space and the child is first removed from the conveyance in the Commonwealth, the birth shall be registered in the Commonwealth, but the certificate shall show the actual place of birth insofar as can be determined.*

(6) *If the mother was married at the time of either conception or birth or anytime between conception and birth and:*

(a) *There is no dispute as to paternity, the name of the husband shall be entered on the certificate as the*

father of the child. The surname of the child shall be any name chosen by the parents; however, if the parents are separated or divorced at the time of the child's birth, the choice of surname rests with the parent who has legal custody following birth;

(b) The mother claims that the father of the child is not her husband, and the husband agrees to such a claim, and the putative father agrees to the statement, a three (3) way affidavit of paternity may be signed by the respective parties and duly notarized. The registrar of vital statistics shall enter the name of a non-husband on the birth certificate as the father and the surname of the child shall be any name chosen by the mother; and

(c) A question of paternity determination arises which is not resolved under paragraph (b) of this subsection, it shall be settled by the district court.

(7) If the mother was not married at the time of either conception or birth or between conception and birth, or the marital relationship between the mother and her husband has been interrupted for more than ten (10) months prior to the birth of the child:

(a) The name of the father shall not be entered in the certificate of birth. The registrar shall, upon acknowledgement of paternity by the father and with consent of the mother, enter the father's name on the certificate. The surname of the child shall be any name chosen by the mother and father. If there is no agreement, the child's surname shall be determined by the parent with legal custody of the child;

(b) If an affidavit of paternity has been properly completed and the certificate of birth has been filed accordingly, any further modification of the birth certificate regarding the paternity of the child shall require an order from the district court;

(c) In any case in which paternity of a child is determined by a court order, the name of the father and surname of the child shall be entered on the certificate of birth in accordance with the finding and order of the court; and

(d) In all other cases, the surname of the child shall be any name chosen by the mother.

(8) If the father is not named on the certificate of birth, no other information about the father shall be entered on the certificate. In all cases, the maiden name of the gestational mother shall be entered on the certificate.

(9) Any child whose surname was restricted prior to the effective date of this Act shall be entitled to apply to the registrar for an amendment of a birth certificate showing as the surname of the child any surname chosen by the mother or parents as provided under this section.

(10) The birth certificate of a child born as a result of artificial insemination shall be completed in accordance with the provisions of this section.

(11) Either of the parents of the child, or other informant, shall attest to the accuracy of the personal data entered on the certificate in time to permit the filing of the certificate within ten (10) days prescribed in subsection (1) of this section.

SECTION 9. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

(1) The person who assumes the custody of a live born infant of unknown parentage shall report on a form and in a manner prescribed by the state registrar within ten (10) days to the cabinet for human resources the following information:

(a) The date and place of finding;

(b) Sex, color or race, and approximate birth date of child;

(c) Name and address of the person or institution with whom the child has been placed for care;

(d) *Name given to the child by the custodian of the child; and*

(e) *Other data as required by the registrar to complete a birth certificate.*

(2) *The place where the child was found shall be entered as the place of birth.*

(3) *A report registered under this section shall constitute the certificate of birth for the child.*

(4) *If the child is identified and a certificate of birth is found or obtained, the report registered under this section shall be placed in a special file and shall not be subject to inspection except upon order of a circuit court.*

SECTION 10. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

(1) *If a certificate of birth of a living person born in the Commonwealth has not been filed within the time period as provided in Section 8 of this Act, a certificate of birth may be filed in accordance with regulations of the cabinet. The certificate shall be registered subject to such evidentiary requirements as the cabinet shall by regulation, prescribe to substantiate the alleged facts of birth.*

(2) *In accordance with the provisions of this section and the regulations established thereunder pursuant to KRS Chapter 13A, the registrar may issue a record of foreign birth for a person born outside the United States registration area who is subsequently adopted by a Kentucky resident and whose record of birth cannot be obtained from the country of birth. Such certificates shall be plainly endorsed, "not evidence of United States citizenship."*

(3) *Certificates of birth registered one (1) year or more after the date of birth shall be made on forms prescribed and furnished by the state registrar, marked "delayed," and show on the face the date of the delayed registration.*

(4) *A summary statement of the evidence submitted in support of the delayed registration shall be endorsed on the certificate.*

(5) *The cabinet may by regulation provide for the dismissal of an application which is not actively prosecuted.*

SECTION 11. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

(1) *For each adoption decreed by a circuit court in the Commonwealth, the court shall require the preparation of a report of adoption on a form prescribed and furnished by the state registrar. The report shall include the facts necessary to establish a new certificate of birth of the person adopted, identify the order of adoption and be certified by the clerk of the court.*

(2) *Information necessary to prepare the report of adoption shall be furnished by each petitioner for adoption or the petitioner's attorney. The department for social services or any other agency or person having knowledge of the facts shall supply the court with the additional information necessary to complete the report. The provision of the information shall be prerequisite to the issuance of a final decree in the matter by the court.*

(3) *If an adoption decree is amended or annulled, the clerk of the court shall prepare a report thereof, which shall include the facts necessary to identify the original adoption report and the facts amended in the adoption decree necessary to properly amend the birth record.*

(4) *Not later than the fifteenth day of each calendar month or more frequently, the clerk of the court shall forward to the state registrar reports of decrees of adoption, annulment of adoption and amendments of decrees of adoption which were entered in the preceding month, together with such related reports as the state registrar shall require.*

(5) *If the state registrar receives a report of adoption, annulment of adoption, or amendment of a decree of adoption for a person born outside this state, the state registrar shall forward the report to the state registrar in the state of birth. If the birth occurred in a foreign country, and the child was not a citizen of the United States at the time of birth, the state registrar shall prepare a record of foreign birth as provided by Section*

10(2) of this Act. If the child was born in Canada, the state registrar shall also send a copy of the report of adoption, annulment of adoption, or amendment of a decree of adoption to the appropriate registration authority in that country.

SECTION 12. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

(1) *The state registrar shall establish a new certificate of birth for a person born in the Commonwealth when the state registrar receives the following:*

(a) *A report of adoption as provided in Section 11 or a report of adoption prepared and filed in accordance with the laws of another state or foreign country or a certified copy of the decree of adoption, together with the information necessary to identify the original certificate of birth and to establish a new certificate of birth; or*

(b) *A request that a new certificate be established as prescribed by regulation pursuant to KRS Chapter 13A, and the evidence as required by regulation proving that the person has been legitimated, or that a court of competent jurisdiction has determined the paternity of the person, or that both parents have acknowledged the paternity of the person in which case the surname of the child shall be changed in accordance with Section 8 of this Act.*

(2) *If paternity is determined in a court action, the clerk shall report the findings of the court to the state registrar on forms prescribed and furnished for that purpose. The reports shall be made no later than the fifteenth of the month following the date of the order.*

(3) *If a new certificate is established, the actual place and date of birth shall be shown, except in the case of adoption. If the adopted child is under eighteen (18) years of age, the birth certificate shall not contain any information revealing the child is adopted and shall show the adoptive parent or parents as the natural parent or parents of the child. The new birth certificate, when issued, shall not contain the place of birth, hospital and name of the doctor or midwife. This information shall be given only by an order of the court in which the child was adopted. If the child was born in the Commonwealth and the adoptive parents are residents of the Commonwealth, the new birth certificate shall recite the residence of the adoptive parents as the birthplace of the child and this shall be deemed for all legal purposes to be the birthplace of the child.*

(4) *The new certificate shall be substituted for the original certificate of birth in the files, and the original certificate of birth and the evidence of adoption, legitimating, paternity determination, or paternity acknowledgement shall not be subject to inspection except upon order of a court of competent jurisdiction or as provided by regulation.*

(5) *If any judgment under this section is reversed, amended, modified or vacated in any particular, the clerk of the court shall notify the state registrar of the reversal or modification and the state registrar shall make the changes, if any, in its records as may be necessary by the reversal or modification.*

(6) *If a new certificate of birth is established by the state registrar, all copies of the original certificate of birth on file in the local health department shall be sealed from inspection or forwarded to the state registrar, as the state registrar shall direct.*

(7) *If no birth certificate is on file for an adopted child born in Kentucky, the state registrar shall prepare a certificate of birth in accordance with information furnished by the clerk of the circuit court which issued the adoption order. The state registrar shall furnish the clerks of the circuit courts the necessary forms to carry out the provisions of this section.*

SECTION 13. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

(1) *A certificate of death or a provisional certificate of death for each death which occurs in the Commonwealth shall be filed with the cabinet, or as otherwise directed by the state registrar, prior to final disposition, and shall be registered if it has been completed and filed in accordance with this section. The funeral director, or person acting as such, who first takes custody of a dead body shall be responsible for filing the certificate of death. He shall obtain the required personal and statistical particulars from the person best qualified to supply them, over the signature and address of his informant. He shall, within five (5) days of the death, present the certificate to the attending physician, if any, or to the health officer or coroner, as directed by the registrar,*

for the medical certificate of the cause of death and other particulars necessary to complete the record, as required by this Act.

(a) It shall be unlawful for an institution to release a dead human body until the funeral director or person acting as such has completed and filed with the local registrar, or person in charge of the institution, a provisional certificate of death. If death occurs outside an institution, the provisional certificate shall be filed with the local registrar by the funeral director or person acting as such prior to final disposition of the dead body. A copy of the provisional certificate of death, signed by the person with whom it was filed, shall constitute authority for the possession, transportation and, except for cremation, final disposition of the body.

(b) All persons having in their possession a completed provisional certificate of death shall file them at not more than weekly intervals with the local registrar.

(c) If the place of death is unknown but the dead body is found in the Commonwealth, the certificate of death shall be completed and filed in accordance with this section. The place where the body is found shall be shown as the place of death. If the date of death is unknown, it shall be determined by approximation subject to amendment upon completion of any post-mortem examination required to be performed.

(d) If death occurs in a moving conveyance in the United States and the body is first removed from the conveyance in the Commonwealth, the death shall be registered in Kentucky and the place where it is first removed shall be considered the place of death. If a death occurs on a moving conveyance while in international waters or air space or in a foreign country or its air space and the body is first removed from the conveyance in the Commonwealth, the death shall be registered in Kentucky, but the certificate shall show the actual place of death insofar as can be determined.

(2) If any certificate of death is incomplete or unsatisfactory, the registrar shall call attention to the defects in the certificate and require the person responsible for the entry to complete or correct it. The registrar may also require additional information about the circumstances and medical conditions surrounding a death in order to properly code and classify the underlying cause.

(3) The medical certification shall be completed, signed and returned to the funeral director within fifteen (15) days after presentation to the physician, dentist, or chiropractor in charge of the patient's care for the illness or condition which resulted in death, except when inquiry is required by KRS 72.400 to 72.475. In such cases, the coroner shall complete and sign the certificate within five (5) days after receiving results of the inquiry as required by KRS 72.400 to 72.475. In the absence of the physician, dentist, or chiropractor or with such person's approval, the certificate may be completed and signed by his associate physician, dentist, or chiropractor, or the chief medical officer of the institution in which death occurred, or the physician who performed an autopsy upon the decedent, or a physician employed by the local or district health authority, provided the individual has access to the medical history of the case and death is due to natural causes.

(4) If death occurs more than thirty-six (36) hours after the decedent was last treated or attended by a physician, dentist or chiropractor, the case shall be referred to the coroner for investigation to determine and certify the cause of death. In the event that a coroner is not available to sign the certificate and there is no duly appointed deputy, the county judge/executive shall appoint a competent person to investigate the death and certify to its cause.

(5) The body of any person whose death occurs in Kentucky shall not be interred, deposited in a vault or tomb, cremated or otherwise disposed of, or removed from or into any registration district, until a provisional certificate of death has been filed with the registrar of the registration district in which the death occurs. If the death occurred from a disease declared by the cabinet for human resources to be infectious, contagious or communicable and dangerous to the public health, no permit for the removal or other disposition of the body shall be granted by the registrar except under conditions prescribed by the cabinet for human resources and local or district health authority.

(6) A burial-transit permit for the final disposition issued under the law of another state which accompanies a dead body or fetus brought into the Commonwealth shall be authority for final disposition of the body or fetus in the Commonwealth and may be accepted in lieu of a certificate of death. There shall appear on the face of the record made for return to the local registrar that the body was shipped in for interment and the actual place of death.

(7) Nothing in this section shall be construed to delay, beyond a reasonable time, the interment or other

disposition of a body, unless the services of the coroner or the health officer are required or the department for health services deems it necessary for the protection of the public health. If compliance with this section would result in unreasonable delay in the disposition of the body, the undertaker, or person acting as such, shall file with the local registrar or deputy registrar prior to interment, a provisional certificate of death which shall contain the name, date and place of death of the deceased, the name of the medical certifier, and an agreement to furnish within ten (10) days a complete and satisfactory certificate of death.

(8) No sexton or other person in charge of any place in which interment or other disposition of dead bodies is made shall inter or allow interment or other disposition of a dead body or fetus unless it is accompanied by a copy of the provisional certificate of death. The sexton, or if there is no sexton, the funeral director, or person acting as such, shall enter on the provisional certificate over his signature the date, place, and a manner of final disposition and file the certificate within five (5) days with the local registrar.

(9) Authorization for disinterment, transportation and reinterment or other disposition shall be required prior to disinterment of any human remains. The authorization shall be issued by the state registrar upon proper application. The provisions of this subsection shall apply to all manners of disposition except cremation and without regard for the time and place of death. The provisions of KRS 381.765 shall not apply to remains removed for scientific study and the advancement of knowledge.

(10) After a death certificate has been on file for five (5) years, it may not be changed in any particular except upon order of a court. Prior to that time requests for corrections, amendments, or additions shall be accompanied by prima facie evidence which supports the requested change.

SECTION 14. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

(1) No person shall cremate or cause to be cremated, or transport or cause to be transported for the purpose of cremation, the body of any person whose death occurs in the Commonwealth, without first obtaining, from the coroner of the county in which the death occurred, a permit stating the cause of death and authorizing the cremation or transportation for cremation of the body. The permit shall be filed immediately following cremation with the state registrar of vital statistics.

(2) The provisions of this section shall not apply to the cremation of fetal death remains in the absence of any indication of a criminal act.

SECTION 15. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

If a death is presumed to have occurred within the Commonwealth but the body cannot be located or recovered, a death certificate may be prepared by the state registrar upon receipt of an order of a court of competent jurisdiction, which shall include the finding of facts required to complete the death certificate. Such a death certificate shall be marked "presumptive" and shall show on its face the date of registration and shall identify the court and the date of decree.

SECTION 16. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

(1) If a death occurring in the Commonwealth has not been registered within the time period prescribed by Section 13 of this Act, a certificate of death may be filed in accordance with regulation of the cabinet pursuant to KRS Chapter 13A. The certificate shall be registered subject to the evidentiary requirements the cabinet shall by regulation prescribe to substantiate the alleged facts of death.

(2) Any certificate of death registered one (1) year or more after the date of death shall be marked "delayed" and shall show on the face the date of the delayed registration.

SECTION 17. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

(1) Each spontaneous fetal death of twenty (20) completed weeks gestation or more, calculated from the date last normal menstrual period began to the date of delivery, or in which the fetus weighs three hundred fifty (350) grams or more, which occurs in the Commonwealth, shall be reported on a combination birth-death certificate in accordance with applicable provisions of Sections 8 and 13 of this Act. If the fetal death occurs in a hospital, the person in charge of the institution or the person's designated representative shall complete the certificate, obtain the medical certification, and file the certificate with the local registrar.

(2) *The name of the father shall be entered on the spontaneous fetal death report in accordance with the provisions of Section 8 of this Act.*

(3) *All induced terminations of pregnancy shall be reported in the manner prescribed in Section 18 of this Act and shall not be reported as spontaneous fetal deaths.*

SECTION 18. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

Each induced termination of pregnancy which occurs in the Commonwealth, regardless of the length of gestation, shall be reported to the office of vital statistics by the person in charge of the institution within fifteen (15) days after the end of the month in which the termination occurred. If the induced termination of pregnancy was performed outside an institution, the attending physician shall prepare and file the report within fifteen (15) days after the end of the month in which the termination occurred. The report shall collect no information which will identify the woman or the father of the fetus.

SECTION 19. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

The reports required under Section 18 are statistical reports to be used only for medical and health purposes and shall not be incorporated into the permanent official records of the system of vital statistics.

SECTION 20. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

(1) *Notwithstanding the provisions of KRS 311.300 to 311.350, any hospital or institution of higher learning may make application to any medical school incorporated within the Commonwealth for the loan of unclaimed whole dead bodies or parts thereof for educational or scientific purposes, if the approval of the cabinet for human resources has first been obtained. Approval shall be granted or denied by the cabinet for human resources on the basis of proposed use, need, qualification of personnel and adequacy of equipment and facilities.*

(2) *A special transit permit shall be obtained for the transportation of the dead bodies or parts thereof from the state registrar. Transportation and the ultimate burial of all the bodies or parts thereof shall be in accordance with the provisions of this chapter and KRS 311.340.*

(3) *All approved recipients shall keep a record of all bodies received by them and comply with all other regulations of the cabinet for human resources pursuant to KRS Chapter 13A.*

SECTION 21. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

(1) *The cabinet shall perform the collection, indexing, tabulations and registration of data relating to marriages, divorces, and annulments. The secretary shall adopt rules and regulations pursuant to KRS Chapter 13A to carry out the provisions of this section.*

(2) *Each county clerk shall, on or before the tenth (10th) day of each month, furnish to the state registrar, from the marriage licenses issued and the marriage certificates returned to the clerk during the previous month, the information required by the cabinet for human resources upon forms prescribed and furnished by the cabinet. The county court clerk shall collect from the applicants for a marriage license at the time the license is issued one dollar (\$1), which shall constitute the clerk's fee for forwarding the required information to the state registrar.*

(3) *A marriage record not filed within the time prescribed by this section may be registered in accordance with regulations adopted pursuant to KRS Chapter 13A.*

(4) *In all actions for dissolution of marriage, the petitioner or the petitioner's attorney or legal representative shall file, concurrently with the petition, the information requested on forms prescribed and furnished by the cabinet for human resources. The provision of the information shall be prerequisite to the issuance of a final decree in the matter by the court.*

(5) *Each circuit court clerk shall, within forty-five (45) days after entry of a final judgment of divorce, absolute or limited, or annulment of marriage, complete the form prescribed and furnished by the cabinet for human resources and forward it to the state registrar.*

SECTION 22. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

(1) *A certificate or report registered under this Act may be amended only in accordance with this Act and regulations adopted by the cabinet pursuant to KRS Chapter 13A to protect the integrity and accuracy of vital records.*

(2) *A certificate or report that is amended under this section shall be marked "amended," except as otherwise provided in this section. The date of amendment and a summary description of the evidence submitted in support of the amendment shall be endorsed on or made a part of the record. The cabinet shall prescribe by regulation the conditions under which additions or minor corrections may be made to certificates or records within one (1) year after the date of the event without the certificate or record being marked "amended."*

(3) *Upon written request of both parents and receipt of a sworn acknowledgement of paternity signed by both parents of a child born to an unmarried woman, the state registrar shall amend the certificate of birth to show the paternity, if paternity is not already shown on the certificate of birth. The certificate shall not be marked "amended."*

(4) *Upon receipt of a certified copy of an order of a court changing the name of a person born in the Commonwealth and upon request of the person or the person's parents, guardian, or legal representative, the state registrar shall amend the certificate of birth to show the new name.*

(5) *Upon receipt of a sworn statement by a licensed physician indicating that the gender of an individual born in the Commonwealth has been changed by surgical procedure and a certified copy of an order of a court of competent jurisdiction changing that individual's name, the certificate of birth of the individual shall be amended as prescribed by regulation to reflect the change.*

SECTION 23. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

To preserve vital records, the cabinet may prepare typewritten, photographic, electronic, or other reproductions of certificates or reports of the vital statistics program. The reproductions, when certified by the state registrar, shall be accepted as the original records.

SECTION 24. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

(1) *To protect the integrity of vital records, to insure their proper use, and to insure the efficient and proper administration of the system of vital statistics, it shall be unlawful for any person to permit inspection of, or to disclose information contained in vital records or to copy or issue a copy of all or part of any record except as authorized by this Act, by regulation or by order of a court of competent jurisdiction. Regulations adopted pursuant to KRS Chapter 13A shall provide for adequate standards of security and confidentiality of vital records and conform to subsection (4) of this section.*

(2) *The registrar shall prepare annually an alphabetical list of all persons registered in the preceding year. The list shall show the person's name, the name of the father, the mother's maiden name, the date and county of birth. This list shall be an open record subject to inspection by the public upon request. Copies of the list may be obtained for a fee established by regulation, which shall not exceed the cost of preparing the list.*

(3) *The registrar shall prepare annually an alphabetical list of all persons who die in the Commonwealth. The list shall show the name of the deceased, the name of his father and his mother's maiden name, the name of the spouse, if shown on the certificate, and the date and county of death. Fetal deaths shall not be listed. This list shall be an open record subject to inspection by the public upon request. Copies of the list may be obtained for a fee established by regulation, which shall not exceed the cost of preparing the list.*

(4) *The cabinet for human resources may authorize by regulation the disclosure of information contained in vital records for research and official administrative purposes, if:*

(a) *All information identifying persons named on the certificate is withheld or removed;*

(b) *The information is requested by a federal, state, county, or municipal agency of government which needs*

the data or information in the conduct of official duties; or

(c) The cabinet has prepared, in writing, a statement of the conditions under which the data or records will be used and received an agreement signed by a responsible agent of the research organization agreeing to meet with and conform to the conditions.

(5) If one hundred (100) years have elapsed after the date of birth, or fifty (50) years have elapsed after the date of death, the records of these events in the custody of the state registrar shall become public records and information shall be made available in accordance with regulations which shall provide for continued safekeeping of the records.

SECTION 25. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

(1) The state registrar shall upon receipt of an application issue a certified copy of a vital record in the registrar's custody or a part thereof to any applicant having a direct, legitimate, and tangible interest in the vital record. Each copy issued shall show the date of registration and copies issued from records marked "delayed" or "amended" shall be similarly marked and show the effective date. The documentary evidence used to establish a delayed certificate shall be shown on all copies issued. All forms and procedures used in the issuance of certified copies of vital records in the Commonwealth shall be provided or approved by the state registrar.

(2) A certified copy of a vital record or any part thereof, issued in accordance with subsection (1) of this section, shall be considered for all purposes the same as the original and shall be prima facie evidence of the facts stated therein. The evidentiary value of a certificate or record filed more than one (1) year after the event, or a record which has been amended, shall be determined by the judicial or administrative body or official before whom the certificate is offered as evidence.

(3) The federal agency responsible for national vital statistics may be furnished copies or data from the system of vital statistics for national statistics, if the federal agency shares in the cost of collecting, processing, and transmitting the data, and if the data is not used for other than statistical purposes by the federal agency unless so authorized by the cabinet.

(4) Federal, state, local and other public or private agencies may, upon request, be furnished copies or data from the system of vital statistics for statistical or administrative purposes upon terms or conditions as may be prescribed by regulation if the copies or data are not used for purposes other than those for which they were requested without prior permission of the cabinet. No information other than statistical data shall be provided for commercial purposes.

(5) The cabinet may, by agreement, transmit copies of records and other reports required by this Act to offices of vital statistics outside the Commonwealth when the records or other reports relate to residents of those jurisdictions or persons born in those jurisdictions. The agreement shall require that the copies be used for statistical and administrative purposes only and the agreement shall further provide for the retention and disposition of the copies. Copies received by the office of vital statistics from offices of vital statistics in other states shall be handled in the same manner as prescribed in this section.

(6) No person shall prepare or issue any certificate which purports to be an original, certified copy, or copy of a vital record except as authorized in this Act or regulation adopted hereunder.

SECTION 26. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

(1) The cabinet shall prescribe by regulation a fee not to exceed five dollars (\$5.00), to be paid for certified copies of certificates or records, or for a search of the files or records when no copy is made, or for copies or information provided for research, statistical, or administrative purposes. One dollar (\$1.00) shall be added to the fee for any birth certificate for use by the cabinet for human resources for the sole purpose of contracting for the operation of private, not for profit, self-help groups for parents who want to prevent or cease their physical, sexual or mental abuse of their children.

(2) Fees collected under this section by the state registrar shall be used to help defray the cost of administering the system of vital statistics.

(3) No fee or compensation shall be allowed or paid for furnishing certificates of birth or death required

in support of any claim against the government for compensation, insurance, back pay, or other allowances or benefits for any person who has at any time served as a member of the army, navy, marine corps or air force of the United States.

SECTION 27. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

(1) Every person in charge of an institution shall keep a record of personal data concerning each person admitted or confined to the institution. This record shall include the information required for certificates of birth and death and the reports of spontaneous fetal death and induced termination of pregnancy required by this Act. The record shall be made at the time of admission from information provided by the person being admitted or confined, but if it cannot be so obtained, the information shall be obtained from relatives or other persons acquainted with the facts. The name and address of the person providing the information shall be a part of the record.

(2) If a dead body or dead fetus is released or disposed of by an institution, the person in charge of the institution shall keep a record showing the name of the decedent, date of death, name and address of the person to whom the body or fetus is released, and the date of removal from the institution. If final disposition is made by the institution, the date, place, and manner of disposition shall also be recorded on the certificate of death or fetal death and filed in accordance with Section 13 of this Act.

(3) A funeral director, embalmer, sexton, or other person who removes from the place of death, transports, or makes final disposition of a dead body or fetus shall, in addition to filing any certificate or other report required by this Act or regulation promulgated hereunder keep a record which shall identify the body, and the information pertaining to the person's receipt, removal, delivery, burial, or cremation of the body as may be required by regulations adopted by the cabinet.

(4) Records maintained under this section shall be retained for a period of not less than five (5) years and shall be made available for inspection by the cabinet or its designee upon request.

SECTION 28. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

Any person having knowledge of the facts necessary to complete a vital record shall furnish the information he possesses regarding any birth, death, spontaneous fetal death, induced termination of pregnancy, marriage, or dissolution of marriage, or annulment, upon request of the cabinet.

SECTION 29. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

The provisions of this Act shall apply to all certificates of birth, death, marriage, divorce, spontaneous fetal death, and induced termination of pregnancy previously received by the office of vital statistics and in the custody of the state registrar or any local registrar.

SECTION 30. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

(1) Any person who shall cremate or cause to be cremated, or transport or cause to be transported for the purpose of cremation, the body of any person whose death occurs in the Commonwealth, without first obtaining from the coroner of the county in which death occurred authorization for the transportation and cremation shall be guilty of a class D felony.

(2) Any person who:

(a) Wilfully and knowingly makes any false statement in a certificate, record, or report required by this Act, or in an application for an amendment thereof, or in an application for a certified copy of a vital record, or who wilfully and knowingly supplies false information intending that such information be used in the preparation of any report, record, or certificate, or amendment thereof;

(b) Without lawful authority and with the intent to deceive, makes counterfeits, alters, amends, or mutilates any certificate, record, or report required by this Act or a certified copy of such certificate, record, or report;

(c) Wilfully and knowingly obtains, possesses, uses, sells, furnishes, or attempts to obtain, possess, use,

sell, or furnish to another, for any purpose of deception, any certificate, record, or report required by this Act or certified copy thereof so made, counterfeited, altered, amended, mutilated, or which is false in whole or in part or which relates to the birth of another person, whether living or deceased;

(d) As an employe of the office of vital statistics or any office designated under Section 6 of this Act, wilfully and knowingly furnishes or processes a certificate of birth or certified copy of a certificate of birth, with the knowledge or intention that it may be used for the purpose of deception; or

(e) Without lawful authority possesses any certificate, record, or report, required by this Act or a copy or certified copy of such certificate, record, or report knowing same to have been stolen or otherwise unlawfully obtained shall be guilty of a class A misdemeanor.

(3) Any person:

(a) Who wilfully and knowingly refuses to provide information required by this Act or regulations adopted hereunder pursuant to KRS Chapter 13A;

(b) Wilfully and knowingly transports or accepts for transportation, interment, or other disposition a dead body without an accompanying permit as provided in this Act;

(c) Wilfully and knowingly neglects or violates any of the provisions of this Act or refuses to perform any of the duties imposed upon him or her by this Act; or

(d) As an employe of the office of vital statistics or any office designated under Section 6 of this Act, wilfully and knowingly violates the confidentiality provisions of Section 24 of this Act shall be guilty of a class B misdemeanor.

(4) Repeated failure to comply with the requirements of this Act shall be sufficient cause for the cabinet to file a report with the applicable medical, dental, chiropractic or funeral director licensure board citing the omissions of lawful duty and requesting that appropriate disciplinary action be taken.

Section 31. KRS 116.124 is amended to read as follows:

Immediately upon receipt of data on the death of Kentucky residents, which is required by Section 13 of this Act [~~KRS 213.199~~] to be furnished by the cabinet for human resources, the county clerk shall make the [such] data available to the county board of elections, to be used by the board to purge the county voter registration roster.

Section 32. KRS 211.027 is amended to read as follows:

The cabinet for human resources shall promulgate reasonable rules and regulations to effectuate the purposes of Section 18 of this Act and KRS [~~213.055 and~~] 311.710 to 311.810, which shall be submitted to the legislative research commission in a manner prescribed in KRS Chapter 13A [~~13~~]; the legislative research commission shall refer the [said] rules and regulations to the interim committee on health and welfare for the purpose of approval or disapproval.

Section 33. KRS 214.155 is amended to read as follows:

(1) The administrative officer or other person in charge of each institution caring for infants twenty-eight (28) days or less of age and the person required in pursuance of the provisions of Section 8 of this Act [~~KRS 213.050(1)~~] shall register the birth of a child, and cause to have administered to every such infant or child in its or his care tests for inborn errors of metabolism, including but not limited to phenylketonuria (PKU), in accordance with rules or regulations prescribed by the secretary of the cabinet for human resources. Testing and [the] recording of the results of the [such] tests shall be performed at the [such] times and in the [such] manner [as may be] prescribed by the secretary of the cabinet for human resources or his designee; provided that, positive results of tests for inborn errors of metabolism as set forth in regulation by the secretary shall be reported to the department for health services no later than two (2) working days after the date of testing]. The secretary of the cabinet for human resources shall by regulation establish and collect fees to cover the cost of analyzing the testing samples for inborn errors of metabolism; provided that if such

tests for inborn errors of metabolism are performed by a laboratory other than the institution caring for the infant, the two (2) working days requirement shall be considered to be met if the specimen is submitted to the laboratory for testing within two (2) working days of the birth of the child].

(2) Nothing in this section shall be construed to require the testing of any child whose parents are members of a nationally recognized and established church or religious denomination, the teachings of which are opposed to medical tests, and who object in writing to the testing of *the* [such] child on that ground.

Section 34. KRS 311.790 is amended to read as follows:

Any child which is live born after an attempted abortion shall be fully recognized as a human person under the law and a birth certificate shall be issued certifying the birth of *the* [said] live born person even though *the* [said] person may die thereafter. In the event death does ensue, a death certificate shall be issued. Both the birth and death certificates shall issue as required by Sections 8, 9, and 13 of this Act [~~KRS Chapter 213~~].

Section 35. KRS 211.645 is amended to read as follows:

As used in KRS 211.647 and 213.050 unless the context requires otherwise:

- (1) "Cabinet" means the cabinet for human resources;
- (2) "Certificate" means the certificate of birth required by Sections 7 to 12 of this Act [~~KRS 213.050~~];
- (3) "Commission" means the commission for handicapped children;
- (4) "Hearing-impaired infant" means a child at birth with a significant hearing loss which prevents the acquisition of speech and language through normal channels;
- (5) "Hearing risk certificate" means the certificate that includes questions which identify newborn babies with a higher risk than normal for hearing loss;
- (6) "High risk infant" means a child at birth who is at a higher risk than normal of being hearing impaired due to one (1) or more of the following factors present at birth:
 - (a) Family history of a congenital hearing loss;
 - (b) Rubella or virus during pregnancy;
 - (c) Congenital ear, nose or throat anomalies;
 - (d) Below normal birth weight;
 - (e) Abnormal level of jaundice;
 - (f) Anoxia or apnea; and
 - (g) A low APGAR score derived from the evaluation of the infant's color, muscle tone, reflexes, pulse rate and respiration.

SECTION 36. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

This Act may be cited as the "Vital Statistics Act".

Section 37. The following KRS sections are repealed:

- 213.010 Vital statistics — Office quarters — Equipment.
- 213.020 Registration districts.
- 213.030 Local registrars; Deputies.
- 213.040 Births to be registered.
- 213.050 Certificate of birth, who to sign and file — Name of father if child born out of wedlock — Form of certificate — Notice of birth — Hearing risk certificate required.
- 213.055 Abortion reporting — Content of forms — Confidentiality.
- 213.060 Supplemental report of birth.
- 213.070 Stillbirths.
- 213.075 Application.
- 213.080 Certificate of death — Who to sign — What to contain — Medical certificate.
- 213.090 Notice of death without physician in attendance — Duties of coroner.
- 213.100 Obtaining and filing certificate of death.
- 213.105 Issuance of certificate in absence of body.
- 213.110 Burial, removal and transit permits — Regulations as to.
- 213.120 Form of burial permit.
- 213.122 Use of unclaimed dead bodies for educational or scientific purposes — Transportation — Records.
- 213.125 Cremation — Coroner's certificate — Permit.
- 213.130 Duties of persons in charge of burial grounds.
- 213.140 Physicians, midwives and undertakers to register.
- 213.150 Fees of local registrar, physician, midwife, sexton and undertaker.
- 213.160 Institutions to keep records of births, deaths and sickness.
- 213.170 Local registrars to distribute forms — Records and reports.
- 213.180 Institution to keep records of births, deaths and sickness.
- 213.190(1), (2), (3) Certified copies of records — Fees — Use of portion of birth certificate fee for preventing child abuse — Death data to be furnished to county clerks.
- 213.195 Delayed birth certificates for persons born prior to 1911.
- 213.200 Privileged communications.
- 213.210 Enforcement.

213.320 Domestic relations statistics — Regulations.

213.330 Report of marriage statistics — Clerk's fee.

213.340 Report of information and final judgments in divorce and annulment cases.

213.990 Penalties.

The Committee Substitute to **SB 235** is as follows:

SB 235, AN ACT relating to vital statistics.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

As used in this chapter, unless the context requires otherwise:

- (1) "Cabinet" means the cabinet for human resources;
- (2) "Secretary" means the secretary for human resources;
- (3) "Vital statistics" means the data derived from certificates and reports of birth, death, spontaneous fetal death, induced termination of pregnancy, marriage, dissolution of marriage, and related reports;
- (4) "System of vital statistics" means the registration, collection, preservation, amendment and certification of vital records, the collection of other reports required by this Act, and activities related thereto including the tabulation, analysis and publication of vital statistics;
- (5) "Vital records" means certificates or reports of birth, death, fetal death, marriage, dissolution of marriage, or annulment and data related thereto;
- (6) "Registration" means the acceptance by the vital statistics office and the incorporation of vital records provided for in this Act into its official records;
- (7) "File" means the presentation of a vital record provided for in this Act for registration by the vital statistics office;
- (8) "Institution" means any establishment, public or private, which provides in-patient medical, surgical, or diagnostic care or treatment or nursing, custodial, or domiciliary care, or to which persons are committed by law;
- (9) "Live birth" means the complete expulsion or extraction from its mother of a product of human conception, irrespective of the duration of pregnancy, which, after such expulsion or extraction, breathes, or shows any other evidence of life, such as beating of the heart, pulsation of the umbilical cord, or definite movement of voluntary muscles, whether or not the umbilical cord has been cut or the placenta is attached;
- (10) "Fetal death" means death prior to the complete expulsion or extraction from its mother of a product of human conception, irrespective of the duration of pregnancy; the death is indicated by the fact that after such expulsion or extraction the fetus does not breathe or show any other evidence of life such as beating of the heart, pulsation of the umbilical cord, or definite movement of voluntary muscles. This definition shall exclude induced termination of pregnancy;
- (11) "Sudden infant death syndrome" means the death of an ostensibly healthy child who is two (2) weeks of age or older but less than three (3) years of age, which occurs suddenly and unexpectedly, with no known or apparent cause, and which remains unexplained after the performance of an autopsy;

(12) "Induced termination of pregnancy" means the purposeful interruption of pregnancy with the intention other than to produce a live-born infant or to remove a dead fetus and which does not result in a live birth. This definition shall exclude management of prolonged retention of product of conception following fetal death;

(13) "Dead body" means a human body or such parts of such human body from the condition of which it reasonably may be concluded that death recently occurred;

(14) "Provisional death certificate" means an interim certificate identifying the deceased and authorizing a funeral director, or person acting as such, to take custody of the body and, except for cremation, to make final disposition;

(15) "Final disposition" means the burial, interment, cremation, removal from the Commonwealth, or other authorized disposition of a dead body or fetus.

SECTION 2. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

There shall be established in the department for health services, cabinet for human resources, a vital statistics program which shall maintain and operate the only official system of vital statistics in the Commonwealth.

SECTION 3. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

The cabinet for human resources shall adopt rules and regulations pursuant to KRS Chapter 13A for the purpose of carrying out the provisions of this Act.

SECTION 4. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

The secretary of human resources shall designate the state registrar of vital statistics hereinafter referred to as "state registrar," in accordance with merit system laws and regulations pursuant to KRS Chapter 13A.

SECTION 5. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

The state registrar, under the supervision of the commissioner of health, shall:

(1) *Administer and enforce the provisions of this Act and the rules and regulations issued hereunder pursuant to KRS Chapter 13A; issue instructions for the efficient administration of the system of vital statistics; direct the system and office of vital statistics and be custodian of its records, supervise the activities of all persons when they are engaged in the operation of the system; and conduct training programs to promote uniformity of the system's policy and procedures throughout the Commonwealth;*

(2) *Design, furnish and distribute forms required by this Act and the rules and regulations issued hereunder pursuant to KRS Chapter 13A, or prescribe other means for transmission of data to accomplish the purpose of complete and accurate reporting and registration, provided, however, that on and after January 1, 1989, the complete form of the birth certificate shall first be submitted for public review by representatives of health care providers, citizen advocacy groups, the legal profession and any other interested group or individual. Any changes resulting from the hearings shall be submitted through the regulation review process pursuant to KRS Chapter 13A;*

(3) *Assist in preparing and publishing reports of vital statistics of the Commonwealth and other reports as required;*

(4) *Provide to county health departments copies of or data derived from certificates and reports required under this Act. The state registrar shall establish a schedule with each county health department for transmittal of the copies or data. The copies shall remain the property of the office of vital statistics, and the uses which may be made of them and the period of their retention in the county shall be governed by the state registrar;*

(5) *Prepare and maintain a complete continuous index of all vital records registered under this Act and provide, at not more than two (2) year intervals, a copy of the index to each local registrar; and*

(6) Investigate cases of irregularity or violation of this Act and, when the cabinet deems it necessary, report violations to the Commonwealth's attorney of the proper county for prosecution.

SECTION 6. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

(1) Each county in the Commonwealth shall constitute a registration district for the purposes of carrying out the provisions of this chapter.

(2) The secretary shall, upon the recommendation of the state registrar, designate a local registrar in each registration district to aid in the efficient administration of the system of vital statistics. The local registrar shall be an employe of the local health office. The designation may be revoked by the secretary.

(3) The local registrar may designate one (1) or more employes of the local health office as deputy registrar. The local registrar may also appoint persons as deputy registrars who are not employes of the local health office, if, in the opinion of the cabinet, the appointments are necessary. All appointments shall be subject to the approval of the state registrar.

SECTION 7. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

(1) In order to promote and maintain nationwide uniformity in the system of vital statistics, the forms of certificates and reports required by this Act, or by regulations adopted hereunder pursuant to KRS Chapter 13A, shall consider as a minimum the items recommended by the federal agency responsible for national vital statistics.

(2) Each certificate, report, and other document required by this Act shall be on a form or in a format prescribed by the cabinet with due consideration for national uniformity. All certificates shall be written legibly in unfading black ink, or typewritten.

(3) No certificate shall be held to be complete and correct that does not supply all items of information called for therein or satisfactorily account for their omission, except as provided in KRS 199.570(3). If a certificate is incomplete, the registrar shall immediately notify the certifier and require him to supply the missing items if they can be obtained.

(4) All vital records shall contain the date received for registration.

(5) No person shall charge or collect from any member of a family in which a birth or death occurs, any fee for completing and filing a report, or any other act or duty imposed upon them by this Act.

SECTION 8. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

(1) A certificate of birth for each live birth which occurs in the Commonwealth shall be filed with the local registrar within ten (10) days after such birth, and shall be registered if it has been completed and filed in accordance with this section.

(2) When a birth occurs in an institution or en route thereto, the person in charge of the institution, or the person's designated representative, shall obtain the personal data, prepare the certificate, secure the signatures required, and file the certificate as directed in subsection (1) of this section or as otherwise directed by the state registrar within the required ten (10) days. The physician or other person in attendance shall provide the medical information required by the certificate and certify to the facts of birth within ten (10) days after the birth. If the physician, or other person in attendance, does not certify to the facts of birth within the ten (10) day period, the person in charge of the institution shall complete and sign the certificate.

(3) When a birth occurs outside an institution, the certificate shall be prepared and filed by one (1) of the following in the indicated order of priority:

(a) The physician in attendance at or immediately after the birth, or in the absence of such a person;

(b) Any other person in attendance at or immediately after the birth, or in the absence of such a person;

(c) *The father, the mother, or in the absence of the father and the inability of the mother, the person in charge of the premises where the birth occurred or the institution to which the child was admitted following the birth.*

(4) *No physician, midwife, or other attendant shall refuse to sign or delay the filing of a birth certificate.*

(5) *If a birth occurs on a moving conveyance within the United States and the child is first removed from the conveyance in the Commonwealth, the birth shall be registered in the Commonwealth and the place where it is first removed shall be considered the place of birth. If a birth occurs on a moving conveyance while in international waters or air space or in a foreign country or its air space and the child is first removed from the conveyance in the Commonwealth, the birth shall be registered in the Commonwealth, but the certificate shall show the actual place of birth insofar as can be determined.*

(6) *If the mother was married at the time of either conception or birth or anytime between conception and birth and:*

(a) *There is no dispute as to paternity, the name of the husband shall be entered on the certificate as the father of the child. The surname of the child shall be any name chosen by the parents; however, if the parents are separated or divorced at the time of the child's birth, the choice of surname rests with the parent who has legal custody following birth;*

(b) *The mother claims that the father of the child is not her husband, and the husband agrees to such a claim, and the putative father agrees to the statement, a three (3) way affidavit of paternity may be signed by the respective parties and duly notarized. The registrar of vital statistics shall enter the name of a non-husband on the birth certificate as the father and the surname of the child shall be any name chosen by the mother; and*

(c) *A question of paternity determination arises which is not resolved under paragraph (b) of this subsection, it shall be settled by the district court.*

(7) *If the mother was not married at the time of either conception or birth or between conception and birth, or the marital relationship between the mother and her husband has been interrupted for more than ten (10) months prior to the birth of the child:*

(a) *The name of the father shall not be entered in the certificate of birth. The registrar shall, upon acknowledgement of paternity by the father and with consent of the mother, enter the father's name on the certificate. The surname of the child shall be any name chosen by the mother and father. If there is no agreement, the child's surname shall be determined by the parent with legal custody of the child;*

(b) *If an affidavit of paternity has been properly completed and the certificate of birth has been filed accordingly, any further modification of the birth certificate regarding the paternity of the child shall require an order from the district court;*

(c) *In any case in which paternity of a child is determined by a court order, the name of the father and surname of the child shall be entered on the certificate of birth in accordance with the finding and order of the court; and*

(d) *In all other cases, the surname of the child shall be any name chosen by the mother.*

(8) *If the father is not named on the certificate of birth, no other information about the father shall be entered on the certificate. In all cases, the maiden name of the gestational mother shall be entered on the certificate.*

(9) *Any child whose surname was restricted prior to the effective date of this Act shall be entitled to apply to the registrar for an amendment of a birth certificate showing as the surname of the child any surname chosen by the mother or parents as provided under this section.*

(10) *The birth certificate of a child born as a result of artificial insemination shall be completed in accordance with the provisions of this section.*

(11) *Either of the parents of the child, or other informant, shall attest to the accuracy of the personal data entered on the certificate in time to permit the filing of the certificate within ten (10) days prescribed in subsection (1) of this section.*

SECTION 9. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

(1) *The person who assumes the custody of a live born infant of unknown parentage shall report on a form and in a manner prescribed by the state registrar within ten (10) days to the cabinet for human resources the following information:*

- (a) *The date and place of finding;*
- (b) *Sex, color or race, and approximate birth date of child;*
- (c) *Name and address of the person or institution with whom the child has been placed for care;*
- (d) *Name given to the child by the custodian of the child; and*
- (e) *Other data as required by the registrar to complete a birth certificate.*

(2) *The place where the child was found shall be entered as the place of birth.*

(3) *A report registered under this section shall constitute the certificate of birth for the child.*

(4) *If the child is identified and a certificate of birth is found or obtained, the report registered under this section shall be placed in a special file and shall not be subject to inspection except upon order of a circuit court.*

SECTION 10. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

(1) *If a certificate of birth of a living person born in the Commonwealth has not been filed within the time period as provided in Section 8 of this Act, a certificate of birth may be filed in accordance with regulations of the cabinet. The certificate shall be registered subject to such evidentiary requirements as the cabinet shall by regulation, prescribe to substantiate the alleged facts of birth.*

(2) *In accordance with the provisions of this section and the regulations established thereunder pursuant to KRS Chapter 13A, the registrar may issue a record of foreign birth for a person born outside the United States registration area who is subsequently adopted by a Kentucky resident and whose record of birth cannot be obtained from the country of birth. Such certificates shall be plainly endorsed, "not evidence of United States citizenship."*

(3) *Certificates of birth registered one (1) year or more after the date of birth shall be made on forms prescribed and furnished by the state registrar, marked "delayed," and show on the face the date of the delayed registration.*

(4) *A summary statement of the evidence submitted in support of the delayed registration shall be endorsed on the certificate.*

(5) *The cabinet may by regulation provide for the dismissal of an application which is not actively prosecuted.*

SECTION 11. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

(1) *For each adoption decreed by a circuit court in the Commonwealth, the court shall require the preparation of a report of adoption on a form prescribed and furnished by the state registrar. The report shall include the facts necessary to establish a new certificate of birth of the person adopted, identify the order of adoption and be certified by the clerk of the court.*

(2) Information necessary to prepare the report of adoption shall be furnished by each petitioner for adoption or the petitioner's attorney. The department for social services or any other agency or person having knowledge of the facts shall supply the court with the additional information necessary to complete the report. The provision of the information shall be prerequisite to the issuance of a final decree in the matter by the court.

(3) If an adoption decree is amended or annulled, the clerk of the court shall prepare a report thereof, which shall include the facts necessary to identify the original adoption report and the facts amended in the adoption decree necessary to properly amend the birth record.

(4) Not later than the fifteenth day of each calendar month or more frequently, the clerk of the court shall forward to the state registrar reports of decrees of adoption, annulment of adoption and amendments of decrees of adoption which were entered in the preceding month, together with such related reports as the state registrar shall require.

(5) If the state registrar receives a report of adoption, annulment of adoption, or amendment of a decree of adoption for a person born outside this state, the state registrar shall forward the report to the state registrar in the state of birth. If the birth occurred in a foreign country, and the child was not a citizen of the United States at the time of birth, the state registrar shall prepare a record of foreign birth as provided by Section 10(2) of this Act. If the child was born in Canada, the state registrar shall also send a copy of the report of adoption, annulment of adoption, or amendment of a decree of adoption to the appropriate registration authority in that country.

SECTION 12. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

(1) The state registrar shall establish a new certificate of birth for a person born in the Commonwealth when the state registrar receives the following:

(a) A report of adoption as provided in Section 11 or a report of adoption prepared and filed in accordance with the laws of another state or foreign country or a certified copy of the decree of adoption, together with the information necessary to identify the original certificate of birth and to establish a new certificate of birth; or

(b) A request that a new certificate be established as prescribed by regulation pursuant to KRS Chapter 13A, and the evidence as required by regulation proving that the person has been legitimated; or that a court of competent jurisdiction has determined the paternity of the person, or that both parents have acknowledged the paternity of the person in which case the surname of the child shall be changed in accordance with Section 8 of this Act.

(2) If paternity is determined in a court action, the clerk shall report the findings of the court to the state registrar on forms prescribed and furnished for that purpose. The reports shall be made no later than the fifteenth of the month following the date of the order.

(3) If a new certificate is established, the actual place and date of birth shall be shown, except in the case of adoption. If the adopted child is under eighteen (18) years of age, the birth certificate shall not contain any information revealing the child is adopted and shall show the adoptive parent or parents as the natural parent or parents of the child. The new birth certificate, when issued, shall not contain the place of birth, hospital and name of the doctor or midwife. This information shall be given only by an order of the court in which the child was adopted. If the child was born in the Commonwealth and the adoptive parents are residents of the Commonwealth, the new birth certificate shall recite the residence of the adoptive parents as the birthplace of the child and this shall be deemed for all legal purposes to be the birthplace of the child.

(4) The new certificate shall be substituted for the original certificate of birth in the files, and the original certificate of birth and the evidence of adoption, legitimating; paternity determination, or paternity acknowledgement shall not be subject to inspection except upon order of a court of competent jurisdiction or as provided by regulation.

(5) If any judgment under this section is reversed, amended, modified or vacated in any particular, the clerk of the court shall notify the state registrar of the reversal or modification and the state registrar shall make the changes, if any, in its records as may be necessary by the reversal or modification.

(6) If a new certificate of birth is established by the state registrar, all copies of the original certificate of birth on file in the local health department shall be sealed from inspection or forwarded to the state registrar, as the state registrar shall direct.

(7) If no birth certificate is on file for an adopted child born in Kentucky, the state registrar shall prepare a certificate of birth in accordance with information furnished by the clerk of the circuit court which issued the adoption order. The state registrar shall furnish the clerks of the circuit courts the necessary forms to carry out the provisions of this section.

SECTION 13. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

(1) A certificate of death or a provisional certificate of death for each death which occurs in the Commonwealth shall be filed with the cabinet, or as otherwise directed by the state registrar, prior to final disposition, and shall be registered if it has been completed and filed in accordance with this section. The funeral director, or person acting as such, who first takes custody of a dead body shall be responsible for filing the certificate of death. He shall obtain the required personal and statistical particulars from the person best qualified to supply them, over the signature and address of his informant. He shall, within five (5) days of the death, present the certificate to the attending physician, if any, or to the health officer or coroner, as directed by the registrar, for the medical certificate of the cause of death and other particulars necessary to complete the record, as required by this Act.

(a) It shall be unlawful for an institution to release a dead human body until the funeral director or person acting as such has completed and filed with the local registrar, or person in charge of the institution, a provisional certificate of death. If death occurs outside an institution, the provisional certificate shall be filed with the local registrar by the funeral director or person acting as such prior to final disposition of the dead body. A copy of the provisional certificate of death, signed by the person with whom it was filed, shall constitute authority for the possession, transportation and, except for cremation, final disposition of the body.

(b) All persons having in their possession a completed provisional certificate of death shall file them at not more than weekly intervals with the local registrar.

(c) If the place of death is unknown but the dead body is found in the Commonwealth, the certificate of death shall be completed and filed in accordance with this section. The place where the body is found shall be shown as the place of death. If the date of death is unknown, it shall be determined by approximation subject to amendment upon completion of any post-mortem examination required to be performed.

(d) If death occurs in a moving conveyance in the United States and the body is first removed from the conveyance in the Commonwealth, the death shall be registered in Kentucky and the place where it is first removed shall be considered the place of death. If a death occurs on a moving conveyance while in international waters or air space or in a foreign country or its air space and the body is first removed from the conveyance in the Commonwealth, the death shall be registered in Kentucky, but the certificate shall show the actual place of death insofar as can be determined.

(2) If any certificate of death is incomplete or unsatisfactory, the registrar shall call attention to the defects in the certificate and require the person responsible for the entry to complete or correct it. The registrar may also require additional information about the circumstances and medical conditions surrounding a death in order to properly code and classify the underlying cause.

(3) The medical certification shall be completed, signed and returned to the funeral director within fifteen (15) days after presentation to the physician, dentist, or chiropractor in charge of the patient's care for the illness or condition which resulted in death, except when inquiry is required by KRS 72.400 to 72.475. In such cases, the coroner shall complete and sign the certificate within five (5) days after receiving results of the inquiry as required by KRS 72.400 to 72.475. In the absence of the physician, dentist, or chiropractor or with such person's approval, the certificate may be completed and signed by his associate physician, dentist, or chiropractor, or the chief medical officer of the institution in which death occurred, or the physician who performed an autopsy upon the decedent, or a physician employed by the local or district health authority, provided the individual has access to the medical history of the case and death is due to natural causes.

(4) If death occurs more than thirty-six (36) hours after the decedent was last treated or attended by a physician, dentist or chiropractor, the case shall be referred to the coroner for investigation to determine and certify the cause of death. In the event that a coroner is not available to sign the certificate and there is no

duly appointed deputy, the county judge/executive shall appoint a competent person to investigate the death and certify to its cause.

(5) *The body of any person whose death occurs in Kentucky shall not be interred, deposited in a vault or tomb, cremated or otherwise disposed of, or removed from or into any registration district, until a provisional certificate of death has been filed with the registrar of the registration district in which the death occurs. If the death occurred from a disease declared by the cabinet for human resources to be infectious, contagious or communicable and dangerous to the public health, no permit for the removal or other disposition of the body shall be granted by the registrar except under conditions prescribed by the cabinet for human resources and local or district health authority.*

(6) *A burial-transit permit for the final disposition issued under the law of another state which accompanies a dead body or fetus brought into the Commonwealth shall be authority for final disposition of the body or fetus in the Commonwealth and may be accepted in lieu of a certificate of death. There shall appear on the face of the record made for return to the local registrar that the body was shipped in for interment and the actual place of death.*

(7) *Nothing in this section shall be construed to delay, beyond a reasonable time, the interment or other disposition of a body, unless the services of the coroner or the health officer are required or the department for health services deems it necessary for the protection of the public health. If compliance with this section would result in unreasonable delay in the disposition of the body, the undertaker, or person acting as such, shall file with the local registrar or deputy registrar prior to interment, a provisional certificate of death which shall contain the name, date and place of death of the deceased, the name of the medical certifier, and an agreement to furnish within ten (10) days a complete and satisfactory certificate of death.*

(8) *No sexton or other person in charge of any place in which interment or other disposition of dead bodies is made shall inter or allow interment or other disposition of a dead body or fetus unless it is accompanied by a copy of the provisional certificate of death. The sexton, or if there is no sexton, the funeral director, or person acting as such, shall enter on the provisional certificate over his signature the date, place, and a manner of final disposition and file the certificate within five (5) days with the local registrar.*

(9) *Authorization for disinterment, transportation and reinterment or other disposition shall be required prior to disinterment of any human remains. The authorization shall be issued by the state registrar upon proper application. The provisions of this subsection shall apply to all manners of disposition except cremation and without regard for the time and place of death. The provisions of KRS 381.765 shall not apply to remains removed for scientific study and the advancement of knowledge.*

(10) *After a death certificate has been on file for five (5) years, it may not be changed in any particular except upon order of a court. Prior to that time requests for corrections, amendments, or additions shall be accompanied by prima facie evidence which supports the requested change.*

SECTION 14. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

(1) *No person shall cremate or cause to be cremated, or transport or cause to be transported for the purpose of cremation, the body of any person whose death occurs in the Commonwealth, without first obtaining, from the coroner of the county in which the death occurred, a permit stating the cause of death and authorizing the cremation or transportation for cremation of the body. The permit shall be filed immediately following cremation with the state registrar of vital statistics.*

(2) *The provisions of this section shall not apply to the cremation of fetal death remains in the absence of any indication of a criminal act.*

SECTION 15. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

If a death is presumed to have occurred within the Commonwealth but the body cannot be located or recovered, a death certificate may be prepared by the state registrar upon receipt of an order of a court of competent jurisdiction, which shall include the finding of facts required to complete the death certificate. Such a death certificate shall be marked "presumptive" and shall show on its face the date of registration and shall identify the court and the date of decree.

SECTION 16. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

(1) If a death occurring in the Commonwealth has not been registered within the time period prescribed by Section 13 of this Act, a certificate of death may be filed in accordance with regulation of the cabinet pursuant to KRS Chapter 13A. The certificate shall be registered subject to the evidentiary requirements the cabinet shall by regulation prescribe to substantiate the alleged facts of death.

(2) Any certificate of death registered one (1) year or more after the date of death shall be marked "delayed" and shall show on the face the date of the delayed registration.

SECTION 17. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

(1) Each spontaneous fetal death of twenty (20) completed weeks gestation or more, calculated from the date last normal menstrual period began to the date of delivery, or in which the fetus weighs three hundred fifty (350) grams or more, which occurs in the Commonwealth, shall be reported on a combination birth-death certificate in accordance with applicable provisions of Sections 8 and 13 of this Act. If the fetal death occurs in a hospital, the person in charge of the institution or the person's designated representative shall complete the certificate, obtain the medical certification, and file the certificate with the local registrar.

(2) The name of the father shall be entered on the spontaneous fetal death report in accordance with the provisions of Section 8 of this Act.

(3) All induced terminations of pregnancy shall be reported in the manner prescribed in Section 18 of this Act and shall not be reported as spontaneous fetal deaths.

SECTION 18. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

(1) A report of each abortion performed shall be made to the cabinet on forms prescribed by it. The report forms shall not identify the patient by name, but by an individual number to be noted in the patient's permanent record in the possession of the physician, and shall include information concerning:

(a) Identification of the physician who performed the abortion and the facility where the abortion was performed and a patient identification number;

(b) State in which the patient resides;

(c) Patient's date of birth, race and marital status;

(d) Number of prior pregnancies;

(e) Date of last menstrual period;

(f) Type of abortion procedure performed;

(g) Complications and whether the abortion resulted in a live birth;

(h) The date the abortion was performed;

(i) Medical indications for any abortion performed when the fetus was viable;

(j) Basis for any medical judgment that a medical emergency existed.

(2) The form shall be completed by the hospital or other licensed facility, signed by the physician who performed the abortion or pregnancy termination and transmitted to the cabinet not later than ten (10) days following the end of the month in which the abortion was performed.

(3) If a complication of an abortion occurs or becomes known after submission of the form, a correction

using the same patient identification number shall be submitted to the cabinet within ten (10) days of its becoming known.

(4) The cabinet may prescribe administrative regulations regarding the administration of Sections 18 to 20 of this Act and shall prescribe regulations to secure the confidentiality of the woman's identity in the information to be provided.

(5) All reports received by the cabinet shall be treated as confidential and the cabinet shall secure the women's anonymity. The reports shall be used only for statistical purposes.

(6) Upon thirty (30) days public notice, the cabinet may require reporting of any additional information which, in the sound discretion of the cabinet is necessary to develop statistical data relating to the protection of maternal or fetal life or health, or is necessary to enforce the provisions of Sections 18 to 20 of this Act, or is necessary to develop useful criteria for medical decisions. The cabinet shall annually report to the general assembly all statistical data gathered under Sections 18 to 20 of this Act and its recommendations to further the purpose of Sections 18 to 20 of this Act. The identity of the patient shall not be disclosed without the patient's consent.

(7) The requirement for reporting to the general assembly shall be satisfied by filing copies of the report with the speaker, the minority leader and the clerk of the house of representatives and the president pro tempore, the minority leader and the secretary of the senate and the legislative research commission.

SECTION 19. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

Any physician who diagnoses a woman as having complications resulting from an abortion shall report, within a reasonable period of time, the diagnosis and a summary of her physical symptoms to the cabinet in accordance with procedure and upon forms required by the cabinet. The cabinet shall define the complications required to be reported by administrative regulation. The complications defined by administrative regulation shall be those which, according to contemporary medical standards, are manifested by symptoms with severity equal to or greater than hemorrhaging requiring transfusion, infection, incomplete abortion, or punctured organs. If the physician making the diagnosis of a complication knows the name or location of the facility where the abortion was performed, he shall report such information to the cabinet.

Any physician who intentionally violates this section shall be subject to revocation of his license pursuant to KRS Chapter 311.

SECTION 20. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

(1) Sections 18 to 20 of this Act shall not be construed as repealing any of the laws of the Commonwealth relating to vital statistics but shall be held and construed as ancillary and supplemental thereto.

(2) Information which has been reported to the cabinet pursuant to any other statute or administrative regulation which matches information required to be reported pursuant to Sections 18 to 20 of this Act shall not be required to be reported a second time, if notation is made on the forms required herein that the information has already been reported.

SECTION 21. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

The reports required under Section 18 are statistical reports to be used only for medical and health purposes and shall not be incorporated into the permanent official records of the system of vital statistics.

SECTION 22. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of KRS 311.300 to 311.350, any hospital or institution of higher learning may make application to any medical school incorporated within the Commonwealth for the loan of unclaimed whole dead bodies or parts thereof for educational or scientific purposes, if the approval of the cabinet for human resources has first been obtained. Approval shall be granted or denied by the cabinet for human resources on the basis of proposed use, need, qualification of personnel and adequacy of equipment and facilities.

(2) A special transit permit shall be obtained for the transportation of the dead bodies or parts thereof from the state registrar. Transportation and the ultimate burial of all the bodies or parts thereof shall be in accordance with the provisions of this chapter and KRS 311.340.

(3) All approved recipients shall keep a record of all bodies received by them and comply with all other regulations of the cabinet for human resources pursuant to KRS Chapter 13A.

SECTION 23. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

(1) The cabinet shall perform the collection, indexing, tabulations and registration of data relating to marriages, divorces, and annulments. The secretary shall adopt rules and regulations pursuant to KRS Chapter 13A to carry out the provisions of this section.

(2) Each county clerk shall, on or before the tenth (10th) day of each month, furnish to the state registrar, from the marriage licenses issued and the marriage certificates returned to the clerk during the previous month, the information required by the cabinet for human resources upon forms prescribed and furnished by the cabinet. The county court clerk shall collect from the applicants for a marriage license at the time the license is issued one dollar (\$1), which shall constitute the clerk's fee for forwarding the required information to the state registrar.

(3) A marriage record not filed within the time prescribed by this section may be registered in accordance with regulations adopted pursuant to KRS Chapter 13A.

(4) In all actions for dissolution of marriage, the petitioner or the petitioner's attorney or legal representative shall file, concurrently with the petition, the information requested on forms prescribed and furnished by the cabinet for human resources. The provision of the information shall be prerequisite to the issuance of a final decree in the matter by the court.

(5) Each circuit court clerk shall, within forty-five (45) days after entry of a final judgment of divorce, absolute or limited, or annulment of marriage, complete the form prescribed and furnished by the cabinet for human resources and forward it to the state registrar.

SECTION 24. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

(1) A certificate or report registered under this Act may be amended only in accordance with this Act and regulations adopted by the cabinet pursuant to KRS Chapter 13A to protect the integrity and accuracy of vital records.

(2) A certificate or report that is amended under this section shall be marked "amended," except as otherwise provided in this section. The date of amendment and a summary description of the evidence submitted in support of the amendment shall be endorsed on or made a part of the record. The cabinet shall prescribe by regulation the conditions under which additions or minor corrections may be made to certificates or records within one (1) year after the date of the event without the certificate or record being marked "amended."

(3) Upon written request of both parents and receipt of a sworn acknowledgement of paternity signed by both parents of a child born to an unmarried woman, the state registrar shall amend the certificate of birth to show the paternity, if paternity is not already shown on the certificate of birth. The certificate shall not be marked "amended."

(4) Upon receipt of a certified copy of an order of a court changing the name of a person born in the Commonwealth and upon request of the person or the person's parents, guardian, or legal representative, the state registrar shall amend the certificate of birth to show the new name.

(5) Upon receipt of a sworn statement by a licensed physician indicating that the gender of an individual born in the Commonwealth has been changed by surgical procedure and a certified copy of an order of a court of competent jurisdiction changing that individual's name, the certificate of birth of the individual shall be amended as prescribed by regulation to reflect the change.

SECTION 25. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

To preserve vital records, the cabinet may prepare typewritten, photographic, electronic, or other reproductions of certificates or reports of the vital statistics program. The reproductions, when certified by the state registrar, shall be accepted as the original records.

SECTION 26. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

(1) To protect the integrity of vital records, to insure their proper use, and to insure the efficient and proper administration of the system of vital statistics, it shall be unlawful for any person to permit inspection of, or to disclose information contained in vital records or to copy or issue a copy of all or part of any record except as authorized by this Act, by regulation or by order of a court of competent jurisdiction. Regulations adopted pursuant to KRS Chapter 13A shall provide for adequate standards of security and confidentiality of vital records and conform to subsection (4) of this section.

(2) The registrar shall prepare annually an alphabetical list of all persons registered in the preceding year. The list shall show the person's name, the name of the father, the mother's maiden name, the date and county of birth. This list shall be an open record subject to inspection by the public upon request. Copies of the list may be obtained for a fee established by regulation, which shall not exceed the cost of preparing the list.

(3) The registrar shall prepare annually an alphabetical list of all persons who die in the Commonwealth. The list shall show the name of the deceased, the name of his father and his mother's maiden name, the name of the spouse, if shown on the certificate, and the date and county of death. Fetal deaths shall not be listed. This list shall be an open record subject to inspection by the public upon request. Copies of the list may be obtained for a fee established by regulation, which shall not exceed the cost of preparing the list.

(4) The cabinet for human resources may authorize by regulation the disclosure of information contained in vital records for research and official administrative purposes, if:

(a) All information identifying persons named on the certificate is withheld or removed;

(b) The information is requested by a federal, state, county, or municipal agency of government which needs the data or information in the conduct of official duties; or

(c) The cabinet has prepared, in writing, a statement of the conditions under which the data or records will be used and received an agreement signed by a responsible agent of the research organization agreeing to meet with and conform to the conditions.

(5) If one hundred (100) years have elapsed after the date of birth, or fifty (50) years have elapsed after the date of death, the records of these events in the custody of the state registrar shall become public records and information shall be made available in accordance with regulations which shall provide for continued safekeeping of the records.

SECTION 27. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

(1) The state registrar shall upon receipt of an application issue a certified copy of a vital record in the registrar's custody or a part thereof to any applicant having a direct, legitimate, and tangible interest in the vital record. Each copy issued shall show the date of registration and copies issued from records marked "delayed" or "amended" shall be similarly marked and show the effective date. The documentary evidence used to establish a delayed certificate shall be shown on all copies issued. All forms and procedures used in the issuance of certified copies of vital records in the Commonwealth shall be provided or approved by the state registrar.

(2) A certified copy of a vital record or any part thereof, issued in accordance with subsection (1) of this section, shall be considered for all purposes the same as the original and shall be prima facie evidence of the facts stated therein. The evidentiary value of a certificate or record filed more than one (1) year after the event, or a record which has been amended, shall be determined by the judicial or administrative body or official before whom the certificate is offered as evidence.

(3) The federal agency responsible for national vital statistics may be furnished copies or data from the system of vital statistics for national statistics, if the federal agency shares in the cost of collecting, processing, and transmitting the data, and if the data is not used for other than statistical purposes by the federal agency

unless so authorized by the cabinet.

(4) Federal, state, local and other public or private agencies may, upon request, be furnished copies or data from the system of vital statistics for statistical or administrative purposes upon terms or conditions as may be prescribed by regulation if the copies or data are not used for purposes other than those for which they were requested without prior permission of the cabinet. No information other than statistical data shall be provided for commercial purposes.

(5) The cabinet may, by agreement, transmit copies of records and other reports required by this Act to offices of vital statistics outside the Commonwealth when the records or other reports relate to residents of those jurisdictions or persons born in those jurisdictions. The agreement shall require that the copies be used for statistical and administrative purposes only and the agreement shall further provide for the retention and disposition of the copies. Copies received by the office of vital statistics from offices of vital statistics in other states shall be handled in the same manner as prescribed in this section.

(6) No person shall prepare or issue any certificate which purports to be an original, certified copy, or copy of a vital record except as authorized in this Act or regulation adopted hereunder.

SECTION 28. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

(1) The cabinet shall prescribe by regulation a fee not to exceed five dollars (\$5.00), to be paid for certified copies of certificates or records, or for a search of the files or records when no copy is made, or for copies or information provided for research, statistical, or administrative purposes. One dollar (\$1.00) shall be added to the fee for any birth certificate for use by the cabinet for human resources for the sole purpose of contracting for the operation of private, not for profit, self-help groups for parents who want to prevent or cease their physical, sexual or mental abuse of their children.

(2) Fees collected under this section by the state registrar shall be used to help defray the cost of administering the system of vital statistics.

(3) No fee or compensation shall be allowed or paid for furnishing certificates of birth or death required in support of any claim against the government for compensation, insurance, back pay, or other allowances or benefits for any person who has at any time served as a member of the army, navy, marine corps or air force of the United States.

SECTION 29. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

(1) Every person in charge of an institution shall keep a record of personal data concerning each person admitted or confined to the institution. This record shall include the information required for certificates of birth and death and the reports of spontaneous fetal death and induced termination of pregnancy required by this Act. The record shall be made at the time of admission from information provided by the person being admitted or confined, but if it cannot be so obtained, the information shall be obtained from relatives or other persons acquainted with the facts. The name and address of the person providing the information shall be a part of the record.

(2) If a dead body or dead fetus is released or disposed of by an institution, the person in charge of the institution shall keep a record showing the name of the decedent, date of death, name and address of the person to whom the body or fetus is released, and the date of removal from the institution. If final disposition is made by the institution, the date, place, and manner of disposition shall also be recorded on the certificate of death or fetal death and filed in accordance with Section 13 of this Act.

(3) A funeral director, embalmer, sexton, or other person who removes from the place of death, transports, or makes final disposition of a dead body or fetus shall, in addition to filing any certificate or other report required by this Act or regulation promulgated hereunder keep a record which shall identify the body, and the information pertaining to the person's receipt, removal, delivery, burial, or cremation of the body as may be required by regulations adopted by the cabinet.

(4) Records maintained under this section shall be retained for a period of not less than five (5) years and shall be made available for inspection by the cabinet or its designee upon request.

SECTION 30. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

Any person having knowledge of the facts necessary to complete a vital record shall furnish the information he possesses regarding any birth, death, spontaneous fetal death, induced termination of pregnancy, marriage, or dissolution of marriage, or annulment, upon request of the cabinet.

SECTION 31. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

The provisions of this Act shall apply to all certificates of birth, death, marriage, divorce, spontaneous fetal death, and induced termination of pregnancy previously received by the office of vital statistics and in the custody of the state registrar or any local registrar.

SECTION 32. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

(1) Any person who shall cremate or cause to be cremated, or transport or cause to be transported for the purpose of cremation, the body of any person whose death occurs in the Commonwealth, without first obtaining from the coroner of the county in which death occurred authorization for the transportation and cremation shall be guilty of a class D felony.

(2) Any person who:

(a) Wilfully and knowingly makes any false statement in a certificate, record, or report required by this Act, or in an application for an amendment thereof, or in an application for a certified copy of a vital record, or who wilfully and knowingly supplies false information intending that such information be used in the preparation of any report, record, or certificate, or amendment thereof;

(b) Without lawful authority and with the intent to deceive, makes counterfeits, alters, amends, or mutilates any certificate, record, or report required by this Act or a certified copy of such certificate, record, or report;

(c) Wilfully and knowingly obtains, possesses, uses, sells, furnishes, or attempts to obtain, possess, use, sell, or furnish to another, for any purpose of deception, any certificate, record, or report required by this Act or certified copy thereof so made, counterfeited, altered, amended, mutilated, or which is false in whole or in part or which relates to the birth of another person, whether living or deceased;

(d) As an employe of the office of vital statistics or any office designated under Section 6 of this Act, wilfully and knowingly furnishes or processes a certificate of birth or certified copy of a certificate of birth, with the knowledge or intention that it may be used for the purpose of deception; or

(e) Without lawful authority possesses any certificate, record, or report, required by this Act or a copy or certified copy of such certificate, record, or report knowing same to have been stolen or otherwise unlawfully obtained shall be guilty of a class A misdemeanor.

(3) Any person:

(a) Who wilfully and knowingly refuses to provide information required by this Act or regulations adopted hereunder pursuant to KRS Chapter 13A;

(b) Wilfully and knowingly transports or accepts for transportation, interment, or other disposition a dead body without an accompanying permit as provided in this Act;

(c) Wilfully and knowingly neglects or violates any of the provisions of this Act or refuses to perform any of the duties imposed upon him or her by this Act; or

(d) As an employe of the office of vital statistics or any office designated under Section 6 of this Act, wilfully and knowingly violates the confidentiality provisions of Section 26 of this Act shall be guilty of a class B misdemeanor.

(4) Repeated failure to comply with the requirements of this Act shall be sufficient cause for the cabinet

to file a report with the applicable medical, dental, chiropractic or funeral director licensure board citing the omissions of lawful duty and requesting that appropriate disciplinary action be taken.

Section 33. KRS 116.124 is amended to read as follows:

Immediately upon receipt of data on the death of Kentucky residents, which is required by *Section 13 of this Act* [KRS 213.190] to be furnished by the cabinet for human resources, the county clerk shall make the [such] data available to the county board of elections, to be used by the board to purge the county voter registration roster.

Section 34. KRS 211.027 is amended to read as follows:

The cabinet for human resources shall promulgate reasonable rules and regulations to effectuate the purposes of *Section 18 of this Act and KRS* [213.055 and] 311.710 to 311.810, which shall be submitted to the legislative research commission in a manner prescribed in KRS Chapter 13A [43]; the legislative research commission shall refer the [said] rules and regulations to the interim committee on health and welfare for the purpose of approval or disapproval.

Section 35. KRS 214.155 is amended to read as follows:

(1) The administrative officer or other person in charge of each institution caring for infants twenty-eight (28) days or less of age and the person required in pursuance of the provisions of *Section 8 of this Act* [KRS 213.050(1)] shall register the birth of a child, and cause to have administered to every such infant or child in its or his care tests for inborn errors of metabolism, including but not limited to phenylketonuria (PKU), in accordance with rules or regulations prescribed by the secretary of the cabinet for human resources. Testing and [the] recording of the results of the [such] tests shall be performed at the [such] times and in the [such] manner [as may be] prescribed by the secretary of the cabinet for human resources or his designee; provided that, positive results of tests for inborn errors of metabolism as set forth in regulation by the secretary shall be reported to the department for health services no later than two (2) working days after the date of testing]. The secretary of the cabinet for human resources shall by regulation establish and collect fees to cover the cost of analyzing the testing samples for inborn errors of metabolism; provided that if such tests for inborn errors of metabolism are performed by a laboratory other than the institution caring for the infant, the two (2) working days requirement shall be considered to be met if the specimen is submitted to the laboratory for testing within two (2) working days of the birth of the child].

(2) Nothing in this section shall be construed to require the testing of any child whose parents are members of a nationally recognized and established church or religious denomination, the teachings of which are opposed to medical tests, and who object in writing to the testing of the [such] child on that ground.

Section 36. KRS 311.790 is amended to read as follows:

Any child which is live born after an attempted abortion shall be fully recognized as a human person under the law and a birth certificate shall be issued certifying the birth of the [said] live born person even though the [said] person may die thereafter. In the event death does ensue, a death certificate shall be issued. Both the birth and death certificates shall issue as required by *Sections 8, 9, and 13 of this Act* [KRS Chapter 213].

Section 37. KRS 211.645 is amended to read as follows:

As used in KRS 211.647 and 213.050 unless the context requires otherwise:

(1) "Cabinet" means the cabinet for human resources;

(2) "Certificate" means the certificate of birth required by *Sections 7 to 12 of this Act* [KRS 213.050];

(3) "Commission" means the commission for handicapped children;

(4) "Hearing-impaired infant" means a child at birth with a significant hearing loss which prevents the acquisition of speech and language through normal channels;

(5) "Hearing risk certificate" means the certificate that includes questions which identify newborn babies with a higher risk than normal for hearing loss;

(6) "High risk infant" means a child at birth who is at a higher risk than normal of being hearing impaired due to one (1) or more of the following factors present at birth:

(a) Family history of a congenital hearing loss;

(b) Rubella or virus during pregnancy;

(c) Congenital ear, nose or throat anomalies;

(d) Below normal birth weight;

(e) Abnormal level of jaundice;

(f) Anoxia or apnea; and

(g) A low APGAR score derived from the evaluation of the infant's color, muscle tone, reflexes, pulse rate and respiration.

SECTION 38. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

Sections 1 to 37 of this Act may be cited as the "Vital Statistics Act".

SECTION 39. A NEW SECTION OF KRS CHAPTER 212 IS CREATED TO READ AS FOLLOWS:

(1) *Except for health departments which serve a county containing a city of the first class or an urban-county government, a district board of health shall consist of the following members:*

(a) *The county judge/executive or his designee from each county in the district as an ex officio voting member; and*

(b) *One (1) additional resident member per county per fifteen thousand (15,000) population or fraction thereof, which shall include the mayor of each city of the second class as an ex officio voting member except that in no event shall the number of members from any one (1) county exceed seven (7) in number.*

(2) *All members except for the county judges/executive and the mayors of second class cities shall be elected by the county boards of health from the membership of each county board of health. There shall be at least three (3) physicians and at least one (1) licensed registered nurse, one (1) dentist, one (1) veterinarian, when available, and one (1) concerned community leader on each district board of health.*

(3) *In the event a vacancy exists on a district board, such vacancy shall be filled by an elected member from the county in which the vacancy occurs and the elected member resides. When a member's term on the county board of health expires, his term on the district board of health shall automatically expire by operation of law; provided, however, that such member may continue to serve until his successor is elected. In the event that a member cannot complete his term on the county board of health, his term on the district board of health shall be declared vacant and the county board shall elect another of its members to fill the unexpired portion of the term.*

(4) *The district board of health may, subject to the approval of the cabinet for human resources, delegate the regulation of subsurface sewage programs to the appropriate county board of health within the district.*

Section 40. KRS 212.890 is amended to read as follows:

County, city-county and district health departments may in addition to other powers specified in KRS 212.2145:

(1) Acquire title, by purchase or otherwise, with the approval of the cabinet, to real estate and such other property as may be necessary;

(2) Maintain in each county not less than one office and such others as are deemed necessary;

(3) Lease real and personal property;

(4) Procure liability insurance;

(5) *Provide for deferred compensation coverage for employes through the Kentucky deferred compensation system, KRS 18A.230 to 18A.275; and*

(6) Except as otherwise provided by law, do all other things reasonably necessary to protect and improve the health of the people.

SECTION 41. A NEW SECTION OF KRS CHAPTER 424 IS CREATED TO READ AS FOLLOWS:

In lieu of the procedure provided in KRS 424.220 relating to publication of financial statements, each county health department, city-county health department or district health department shall, within sixty (60) days after the expiration of each fiscal year, publish in a newspaper qualified under KRS 424.120 to publish legal notices, a summary of revenue and expenditures for the past fiscal year. Revenue and expenditure categories shall be as follows:

(1) *Revenue categories:*

(a) *State;*

(b) *Federal;*

(c) *Local; and*

(d) *Fees.*

(2) *Expenditure categories:*

(a) *Salaries;*

(b) *Fringe benefits;*

(c) *Contractual expenditures;*

(d) *Travel;*

(e) *Space costs;*

(f) *Office administration;*

(g) *Administrative charges;*

(h) *Medical supplies;*

(i) *Automotive expenses;*

(j) *Other;*

(k) *Capital expenditures; and*

(l) *Indirect costs.*

The publication shall also include a statement indicating that supporting documents are available for public inspection during regular working hours at the county, city-county or district health department office.

Section 42. KRS 211.350 is amended to read as follows:

(1) The cabinet shall regulate the construction, installation, or alteration of on-site sewage disposal systems except for such systems that have a surface discharge, and for such systems being installed on a farmstead as defined in KRS 318.010(8); however, the cabinet shall regulate the construction, installation or alteration of on-site sewage disposal systems installed on any farmstead located in a county containing a city of the first class.

(2) No person, firm, or corporation shall construct, install, alter or cause to be constructed, installed, or altered, any on-site sewage disposal system subject to regulation by the cabinet without having first obtained an on-site sewage disposal permit from the cabinet. Such construction, installation or alteration shall be performed only by a person certified by the cabinet pursuant to KRS 211.357.

(3) No person, firm, or corporation shall use or continue to use or permit the use or continued use of any on-site sewage disposal system that is constructed, installed, or altered under an on-site sewage disposal permit where the cabinet through a duly authorized inspector, employe or agent finds that the system was not constructed, installed, or altered in conformance with such permit and regulations issued by the cabinet.

(4) All applications for on-site sewage disposal permits shall be accompanied by plans and specifications for the proposed system, *including* results of an approved percolation test in the area where the proposed system is to be located *if required by the cabinet by regulation* and additional soils and other information as directed by the cabinet by regulation.

(5) The cabinet shall fix a ~~reasonable~~ schedule of fees for the functions performed by the cabinet relating to the regulation of on-site sewage disposal systems. Such fees shall be designed to fully cover the cost of the service performed but shall not exceed the cost of the service performed. Fees payable to the cabinet shall be paid into the state treasury and credited to a trust and agency fund to be used by the cabinet in carrying out its responsibilities relating to the regulation of on-site sewage disposal systems. No part of the fund shall revert to the general fund of the Commonwealth.

(6) Any regulation relating to on-site sewage disposal that is in effect on July 15, 1986, shall remain in effect until altered by the secretary. The secretary may issue additional regulations necessary to carry out the purposes of this section.

(7) All records necessary to properly carry out this section shall be transferred from the department of housing, buildings, and construction to the cabinet for human resources.

SECTION 43. A NEW SECTION OF KRS CHAPTER 224 IS CREATED TO READ AS FOLLOWS:

In any subdivision served by a public or private sewage disposal system, a homeowner shall be permitted to be served by such system, provided the sewage disposal system has the capacity to accommodate the homeowner.

Section 44. The following KRS sections are repealed:

213.010 Vital statistics — Office quarters — Equipment.

213.020 Registration districts.

213.030 Local registrars; Deputies.

213.040 Births to be registered.

213.050 Certificate of birth, who to sign and file — Name of father if child born out of wedlock — Form of certificate — Notice of birth — Hearing risk certificate required.

213.055 Abortion reporting — Content of forms — Confidentiality.

213.060 Supplemental report of birth.

213.070 Stillbirths.

213.075 Application.

213.080 Certificate of death — Who to sign — What to contain — Medical certificate.

213.090 Notice of death without physician in attendance — Duties of coroner.

213.100 Obtaining and filing certificate of death.

213.105 Issuance of certificate in absence of body.

213.120 Form of burial permit.

213.122 Use of unclaimed dead bodies for educational or scientific purposes — Transportation — Records.

213.125 Cremation — Coroner's certificate — Permit.

213.130 Duties of persons in charge of burial grounds.

213.140 Physicians, midwives and undertakers to register.

213.150 Fees of local registrar, physician, midwife, sexton and undertaker.

213.160 Institutions to keep records of births, deaths and sickness.

213.180 Institution to keep records of births, deaths and sickness.

213.190(1), (2), (3) Certified copies of records — Fees — Use of portion of birth certificate fee for preventing child abuse — Death data to be furnished to county clerks.

213.195 Delayed birth certificates for persons born prior to 1911.

213.200 Privileged communications.

213.210 Enforcement.

213.320 Domestic relations statistics — Regulations.

213.330 Report of marriage statistics — Clerk's fee.

213.340 Report of information and final judgments in divorce and annulment cases.

213.990 Penalties.

212.855 Members of district board of health — Appointment — Terms.

The Committee Title Amendment to **SB 235** is as follows:

Amend printed copy of **SB 235** by amending the title to read as follows:

"An ACT relating to public health and safety."

SCR 82, A CONCURRENT RESOLUTION directing the Program Review and Investigations Committee of the General Assembly to conduct a study of the state's Low-Income Home Energy Assistance Program.

WHEREAS, the only statewide program available to help the poor pay their energy bills, the Low-Income Home Energy Assistance Program, is forced, year after year, to turn away eligible needy applicants because of inadequate funding; and

WHEREAS, federal funding for this program has, in the last two years, been cut by more than twenty-five percent (25%); and

WHEREAS, Kentucky's Low-Income Home Energy Assistance Program is becoming more and more a crisis program and increasingly less a crisis-prevention program; and

WHEREAS, the 1988 General Assembly has, with passage of Senate Bill 10, recognized the energy burden and the unmet energy needs of the poor of the Commonwealth by directing a portion of the oil overcharge funds received by the state to the Low-Income Home Energy Assistance Program; and

WHEREAS, both the federal funding cuts and the use of Kentucky oil overcharge funds in this program make it imperative that the state manage these energy assistance dollars in the most efficient and effective manner possible, targeting assistance to those most in need; and

WHEREAS, the 1988 General Assembly has already acted, with passage of the study directive of Senate Concurrent Resolution 1, to evaluate those weatherization and energy conservation programs which are also to receive Kentucky oil overcharge funding;

NOW, THEREFORE,

Be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky, the House of Representatives concurring therein:

Section 1. That the Program Review and Investigations Committee is directed to conduct a study of the state's Low-Income Home Energy Assistance Program. This study may be done as a separate and independent study or may be included in the study effort the Program Review and Investigations Committee is directed to conduct by Senate Concurrent Resolution 1.

Section 2. That the study by the Program Review and Investigations Committee of the Low-Income Home Energy Assistance Program shall include but not be limited to the following:

- (1) An evaluation of both program and cost effectiveness of the Low-Income Home Energy Assistance Program and a comparative analysis of other selected states' programs;
- (2) A sampling survey of Low-Income Home Energy Assistance Program recipients to determine both household income and actual household energy costs;
- (3) Consideration of ways to increase public involvement in the annual planning process of the program; and
- (4) Recommendations on how to better target the energy assistance to those whose energy burden is the greatest.

Section 3. That the Program Review and Investigations Committee submit a full report of its findings and recommendations to the Interim Joint Committee on Energy on or before July 1, 1989.

Section 4. Staff services to be utilized in completing this study are estimated to cost twenty-five thousand dollars (\$25,000) and shall be provided from the regular Legislative Research Commission budget subject to the limitations and other research responsibilities of the commission.

The Committee on Natural Resources and Environment reported SB 265, SB 283 with Committee Amendment attached thereto, SJR 17 and SJR 65 with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 265. AN ACT relating to state development.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 154 IS CREATED TO READ AS FOLLOWS:

(1) *There is created a Kentucky waterway marina development commission. The commission shall study various plans and recommendations that are proposed concerning marina development along Kentucky navigable waterways. Based on these studies, the commission shall formulate a comprehensive plan, recommend state and local legislation for the development of marinas and coordinate the implementation of the plan and legislation. The commission may make grants of money to units of local government for the construction or improvement of any marina, if the grants are consistent with the plans, standards and criteria established by the commission.*

(2) *If necessary to further the accomplishment of its purposes, the commission may do the following:*

(a) *Conduct all studies necessary for the performance of its duties;*

(b) *Publicize, advertise and distribute reports on its purposes, objectives and findings;*

(c) *Provide recommendations in matters related to its functions and objectives to political subdivisions in and adjacent to the waterway corridor and to other public and private agencies;*

(d) *If requested, act as a coordinating agency for programs and activities of other public and private organizations that are related to its objectives;*

(e) *Acquire and dispose of real or personal property by grant, gift, purchase, lease, devise or otherwise;*

(f) *Hold, use, improve, maintain, operate, own, manage, or lease, as lessor or lessee, real or personal property, or any interest in that property; and*

(g) *Employ an executive director and other persons as necessary to carry out its duties.*

(3) *The commission may receive grants and appropriations from federal, state and local governments, individuals, foundations, and other organizations. The commission may enter into agreements or contracts regarding the acceptance or use of these grants and appropriations for the purpose of carrying out its activities under this Act.*

(4) *The commission may appoint advisory committees, the membership of which may include representatives of municipal parks, county parks, national parks, and riverport authorities.*

(5) *The goal for any marina project under this Act shall be to create employment in the private sector.*

SECTION 2. A NEW SECTION OF KRS CHAPTER 154 IS CREATED TO READ AS FOLLOWS:

(1) *The commission shall consist of the lieutenant governor, the commissioner of economic development, and the secretary of the commerce cabinet and fifteen (15) citizens chosen by the governor from the districts created by Section 3 of this Act. The members shall be appointed for a term of four (4) years and each shall be eligible for reappointment. If a vacancy occurs other than through expiration of the term of office, it shall be filled for the remainder of that term by appointment by the governor.*

(2) *A majority of the members shall constitute a quorum for the purpose of organizing the commission and conducting business thereof. The members shall elect a chairman from the fifteen (15) citizen members and the executive director shall serve as secretary. Meetings may be called by the chairman or at the request of eight (8) or more members.*

(3) *Citizen members of the commission shall receive twenty-five dollars (\$25) per day for attendance at each meeting. All commission members shall be entitled to reimbursement for all necessary expenses incurred in connection with the performance of their duties as members of the commission.*

(4) *Any member of the commission may be removed by the governor for inefficiency, neglect of duty, malfeasance or conflict of interest. The governor shall submit a written statement to the commission setting forth the reasons for removal, and the statement shall be read at the next commission meeting, which shall be open to the general public. The member so removed shall have the right of appeal to the Franklin Circuit Court.*

SECTION 3. A NEW SECTION OF KRS CHAPTER 154 IS CREATED TO READ AS FOLLOWS:

The Commonwealth of Kentucky shall be divided into the following waterway marina development districts for the purposes of selecting the fifteen (15) citizen members to serve on the commission:

- (1) *First District: Carlisle, Hickman, Fulton and Graves Counties;*
- (2) *Second District: Ballard, McCracken, Marshall and Calloway Counties;*
- (3) *Third District: Livingston, Lyon, Trigg, Crittenden, Caldwell and Christian Counties;*
- (4) *Fourth District: Hopkins, Webster, Union and Henderson Counties;*
- (5) *Fifth District: Daviess, Hancock, McLean, Ohio, Muhlenberg and Butler Counties;*
- (6) *Sixth District: Todd, Logan, Simpson, Warren, Edmonson, Allen, Barren, Metcalfe, Monroe, Cumberland and Clinton Counties;*
- (7) *Seventh District: Grayson, Hardin, Larue, Meade and Breckinridge Counties;*
- (8) *Eighth District: Trimble, Oldham, Jefferson, Shelby, Bullitt, Spencer and Nelson Counties;*
- (9) *Ninth District: Hart, Green, Taylor, Marion, Washington, Adair and Russell Counties;*
- (10) *Tenth District: Carroll, Gallatin, Henry, Owen, Franklin, Scott, Anderson, Woodford, Fayette, Mercer, Jessamine, Clark, Garrard, Madison, Estill and Powell Counties;*
- (11) *Eleventh District: Boyle, Lincoln, Rockcastle, Jackson, Wayne, Pulaski and Casey Counties;*
- (12) *Twelfth District: Boone, Kenton, Campbell, Grant, Pendleton, Bracken, Mason, Harrison, Robertson, Bourbon, Nicholas, Fleming, Montgomery, Bath, Rowan and Menifee Counties;*
- (13) *Thirteenth District: Lewis, Greenup, Carter and Boyd Counties;*
- (14) *Fourteenth District: Elliott, Lawrence, Morgan, Johnson, Martin, Wolfe, Magoffin, Floyd, Pike, Lee, Owsley and Breathitt Counties; and*
- (15) *Fifteenth District: Knott, Letcher, Perry, Leslie, Harlan, Clay, Bell, Knox, Laurel, Whitley and McCreary Counties.*
- (16) *For the purposes of initial appointments to the commission, membership shall be staggered to promote the orderly conduct of the business of the commission as follows:*

- (a) *One (1) year appointment - Districts 1, 5, 9 and 13;*
- (b) *Two (2) year appointment - Districts 2, 6, 10 and 14;*
- (c) *Three (3) year appointment - Districts 3, 7, 11 and 15;*
- (d) *Four (4) year appointment - Districts 4, 8 and 12;*

Appointments thereafter shall be for four (4) year terms as provided by Section 2(1) of this Act.

SECTION 4. A NEW SECTION OF KRS CHAPTER 154 IS CREATED TO READ AS FOLLOWS:

(1) The commission may appoint an executive director to be the chief administrative officer of the commission, and to assist in carrying out the functions and purposes of this Act. The executive director and other employees of the commission shall, for administrative purposes, be attached to the department of economic development, under the supervision and control of the commissioner of economic development. The department of economic development shall furnish office space.

(2) The executive director shall be entitled to compensation set by the commission and shall be allowed travel, subsistence and other expenses incurred in the performance of his duties as are provided from time to time for other employees of the Commonwealth.

SECTION 5. A NEW SECTION OF KRS CHAPTER 154 IS CREATED TO READ AS FOLLOWS:

The commission may enter into any and all contracts in its own name for planning, engineering, promotion and development, consistent with purposes of this Act and may enter into contracts for these purposes with any public or private organization.

SECTION 6. A NEW SECTION OF KRS CHAPTER 154 IS CREATED TO READ AS FOLLOWS:

The commission may disburse any and all funds appropriated by the legislature for purposes consistent with the provisions of Act, any funds received from any state agency, and may apply for, receive and disburse funds from the federal government or any other public or private organization or agency for carrying out the purposes of this Act.

SB 283, AN ACT relating to surface mining.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 350.070 is amended to read as follows:

(1) Revisions which request extensions of the area covered by the permit, except incidental boundary revisions shall be made by application for another permit. The operator shall file an application, map and revised reclamation plan in the same form and with the same content as required for an original application under this chapter and shall pay a basic fee set by regulation and bearing a reasonable relationship to the cost of processing the permit application but not to exceed two hundred fifty dollars (\$250), plus a fee set by regulation but not to exceed fifty dollars (\$50) for each acre or fraction of an acre for the increase requested, and shall file with the cabinet a supplemental bond in the amount to be determined under the provisions of KRS 350.060 for each acre or fraction of an acre of the increase approved. If the cabinet approves a reduction in the acreage covered by the original or supplemental permit, it shall release the bond for each acre reduced, but in no case shall the bond be reduced below ten thousand dollars (\$10,000), except as provided in subsection (12) of KRS 350.060. If the cabinet approves a reduction in acreage covered by the original or supplemental permit, it shall transfer the acreage fee for each acre reduced to acreage fees in subsequent permit applications by the operator.

(2) The cabinet shall promulgate regulations specifying the permit application information requirements and procedures, including notice and hearing, which shall apply depending on the scale or extent of a revision; provided, that any permit revisions which propose significant alterations in the reclamation plan shall be subject to the notice and hearing requirements as set forth in the regulations of the cabinet.

- (3) *Incidental boundary revisions are those which:*
- (a) *Constitute a relatively small percentage of the initial permit acreage;*
 - (b) *Are contiguous with the permit acreage;*
 - (c) *Are within the same watershed as the initial permit acreage;*
 - (d) *Are required for the orderly and continuous mining operation; and*
 - (e) *Would be reclaimed in conformity with the initial reclamation plan.*
- (4) *For the purpose of this section, incidental boundary changes are described as follows:*

<i>Original Permit Acres</i>	<i>Maximum Size of Boundary Changes-Acres</i>
<i>Up to 10</i>	<i>1</i>
<i>Up to 25</i>	<i>2.5</i>
<i>Up to 50</i>	<i>5</i>
<i>Up to 75</i>	<i>7.5</i>
<i>Up to 100</i>	<i>10</i>
<i>Over 100</i>	<i>20</i>

The Committee Amendment No. 1 to **SB 283** is as follows:

Amend printed copy of **SB 283** on page 3, after line 6, by adding the following:

"SECTION 2. A NEW SECTION OF KRS CHAPTER 350 IS CREATED TO READ AS FOLLOWS:

(1) After the issuance of a permit by the cabinet, any use of the property so permitted or the surrounding property which would otherwise prohibit mining pursuant to KRS 350.085, shall not prohibit mining under the issued permit or any renewal thereof by the permittee or its successors or assigns.

(2) Unless stated to the contrary in the waiver, once a waiver of the prohibitions prescribed in KRS 350.085 is obtained, no further waivers shall be required by the cabinet of the permittee, its successors or assigns, for an amendment to or renewal of the permit, unless there is additional proposed surface mining disturbances within the prohibited distances as set forth in KRS 350.085."

SJR 17, A JOINT RESOLUTION urging the U.S. Department of the Interior to allow greater funding of water supply projects through the Abandoned Mine Land program.

WHEREAS, PL 95-87, the federal Surface Mining Control and Reclamation Act of 1977, very forcefully recognizes the importance of protecting the surface water and groundwater resources; and

WHEREAS, the county/judges executive of Kentucky counties in 1982 regarded potable water supplies as the greatest need to be served through the use of Abandoned Mine Land (AML) funds; and

WHEREAS, Kentucky has received a total of about \$130,000,000 in AML funds but only about \$12,000,000 of this amount has been approved for public water supply projects by the federal Office of Surface Mining (OSM); and

WHEREAS, it has been only with the assistance of Congress that Kentucky, the nation's leading coal producer, has been able to receive AML funding for a few water supply projects; and

WHEREAS, the Kentucky biennial budget contains the statement that: "The Commonwealth believes mining practices prior to the 1977 federal Surface Mining Act have significantly degraded drinking water supplies. To promote the health and safety of its citizens, the Commonwealth supports a high priority ranking for those Abandoned Mine Land projects that insure safe and dependable water supplies."

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. That the U.S. Department of the Interior (and OSM) more fully recognize that some mining practices prior to 1977 did degrade surface water and groundwater drinking supplies and that these degraded water resources should receive a higher priority ranking by OSM, such as, protection of public health or restoration of water resources; and that the OSM will more readily make additional grants of AML funds for public water supplies.

Section 2. That a copy of this resolution be sent to the Secretary of the U.S. Department of the Interior, Director of OSM, and Kentucky's congressional delegation.

SJR 65. A JOINT RESOLUTION directing the Department of Parks to cooperate with the Program Review and Investigations Committee of the Legislative Research Commission to study the feasibility of establishing a Bluegrass music museum and memorial for Bill Monroe in Ohio County, Kentucky.

WHEREAS, love for Bluegrass music has spread throughout the world; and

WHEREAS, Bluegrass music has done as much to honor and publicize Kentucky as horses and bourbon, and is as indigenous to Kentucky as tobacco and coal; and

WHEREAS, Kentucky native, Bill Monroe, is internationally recognized as the father of Bluegrass music, the music was named for his band, the Blue Grass Boys, and Mr. Monroe started Bluegrass music back in the 1930s and has guided and nurtured it through his life; and

WHEREAS, Bill Monroe is one of America's first great recording stars and one of the few who can lay claim to originating a unique kind of music and his music will go down in history as one of the most pure, traditional forms of American music; and

WHEREAS, Bill Monroe was born in Rosine, Ohio County, Kentucky and this may be considered the place where Bluegrass music was born;

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Department of Parks shall cooperate with the Program Review and Investigations Committee of the Legislative Research Commission to study the feasibility of establishing a Bluegrass music museum and memorial to Bill Monroe in Ohio County, Kentucky.

Section 2. That the study shall begin not later than August 1, 1988 and a report and recommendation shall be submitted to the Legislative Research Commission no later than July 1, 1989.

Section 3. Staff services to be utilized in completing this study are estimated to cost five thousand dollars (\$5,000) and shall be provided from the regular Legislative Research Commission budget subject to the limitations and other research responsibilities of the commission.

The Committee on Appropriations and Revenue reported **HB 993** with Committee Amendment attached thereto, **SB 49** (Consent Bill) and **SB 180** (Consent Bill) with the expression of opinion that the same should

pass. Ordered referred to the Committee on Rules.

The Committee on Appropriations and Revenue reported **SB 300** with Committee Substitute attached thereto, and **SB 280** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 300, AN ACT relating to the sales and use tax.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 139.497 is amended to read as follows:

Notwithstanding any other provisions of this chapter, the taxes imposed herein do not apply to sales by elementary or secondary schools, ~~or~~ nonprofit elementary or secondary school sponsored clubs and organizations, ~~or any~~ nonprofit, elementary or secondary school affiliated groups such as parent-teacher organizations and booster clubs, *or foundations of higher education*, whose membership may be composed of individuals other than students, provided the net proceeds from such sales are used solely for the benefit of the elementary or secondary school or its students, *or for the benefit of an institution of higher education*. Such nontaxable sales shall include sales resulting from agreements or contracts entered into with resident or nonresident organizations to participate in fund-raising campaigns for a percentage of the gross receipts where students act as agents or salesmen for the organizations by selling or taking orders for the sale of tangible personal property, and no one shall be required to pay sales or use taxes on such sales.

The Committee Substitute to **SB 300** is as follows:

SB 300, AN ACT relating to the sales and use tax.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 139.495 is amended to read as follows:

The taxes imposed by this chapter shall apply to resident, nonprofit educational, charitable, and religious institutions which have qualified for exemption from income taxation under section 501 (c) (3) of the Internal Revenue Code as follows:

(1) Tax does not apply to sales of tangible personal property or services to such institutions provided the property or service is to be used solely within the educational, charitable, or religious function.

(2) Tax does not apply to sales of food to students in school cafeterias or lunchrooms.

(3) Tax does not apply to sales by school bookstores of textbooks, workbooks, and other course materials.

(4) Tax does not apply to sales by nonprofit, school sponsored clubs and organizations *or foundations of higher education*; provided such sales do not include tickets for athletic events. *For purposes of this section, "foundation of higher education" shall mean a corporate entity which has qualified for exemption from income taxation under section 501 (c)(3) of the Internal Revenue Code and which is created for the benefit or support of an institution of higher education.*

(5) All other sales made by nonprofit educational, charitable, and religious institutions are taxable and the tax may be passed on to the customer as provided in KRS 139.210.

SB 280, AN ACT relating to economic development and making the appropriations therefor.

WHEREAS, it is the public policy of the Commonwealth of Kentucky to encourage, support and promote economic development and the growth of industry in the Commonwealth of Kentucky in order to relieve the condition of unemployment and increase the tax revenues of the Commonwealth and its political subdivisions, thereby benefiting the general welfare and material well-being of its citizens; and

WHEREAS, those counties of the Commonwealth of Kentucky most in need of increased revenues and the means to alleviate high rates of unemployment require the assistance and support of the Commonwealth of Kentucky to establish, administer and fund a program designed to induce businesses to locate their manufacturing facilities within the counties of the Commonwealth of Kentucky suffering from high rates of unemployment;

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

The following words and terms, unless the context clearly indicates a different meaning, shall have the following respective meanings:

(1) "Approved company" means any eligible company seeking to locate an economic development project in a qualified county, which eligible company is approved by the authority pursuant to this Act.

(2) "Approved costs" means:

(a) Obligations incurred for labor and to contractors, subcontractors, builders and materialman in connection with the acquisition, construction and installation of an economic development project;

(b) The cost of acquiring land or rights in land and any cost incidental thereto, including recording fees;

(c) The cost of contract bonds and of insurance of all kinds that may be required or necessary during the course of acquisition, construction and installation of an economic development project which is not paid by the contractor or contractors or otherwise provided for;

(d) All costs of architectural and engineering services, including test borings, surveys, estimates, plans and specifications, preliminary investigations, and supervision of construction, as well as for the performance of all the duties required by or consequent upon the acquisition, construction and installation of an economic development project;

(e) All costs which shall be required to be paid under the terms of any contract or contracts for the acquisition, construction and installation of an economic development project; and

(f) All other costs of a nature comparable to those described above.

(3) "Authority" means the Kentucky depressed counties economic development authority created by this Act.

(4) "Bonds" means the revenue bonds, notes or other obligations of the authority authorized to be issued by the authority or by the state property and buildings commission on behalf of the authority under this Act.

(5) "Commonwealth" means the Commonwealth of Kentucky.

(6) "Economic development project" means and includes the acquisition of any real estate in a qualified county and the construction and installation thereon, and with respect thereto, of improvements and facilities necessary or desirable for improvement of the real estate, including surveys, site tests and inspections, subsurface site work, excavation, removal of structures, roadways, cemeteries and other surface obstructions, filling, grading and provision of drainage, storm water detention, installation of utilities such as water, sewer, sewage treatment, gas, electricity, communications and similar facilities, off-site coion of utility extensions to the boundaries of the real estate, and the acquisition and installation of manufacturing facilities on the real estate, for lease by the authority to an approved company for use and occupancy by the approved company or its affiliates for manufacturing purposes.

(7) "Eligible company" means any corporation, partnership, sole proprietorship, business trust or other

entity engaged in manufacturing which meets the standards promulgated by the authority pursuant to this Act.

(8) "Lease" means any lease entered into, pursuant to this Act, by the authority and an approved company with respect to an economic development project.

(9) "Manufacturing" means any activity involving the manufacturing, processing, assembling or production of any property, including the processing resulting in a change in the condition of the property and any activity functionally related thereto, together with the storage, warehousing and distribution facilities in respect thereof.

(10) "Qualified county" means any county certified as such by the authority pursuant to this Act.

(11) "State agency" shall have the meaning assigned to the term in KRS 56.440(8).

SECTION 2. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

(1) The general assembly hereby finds and declares that the general welfare and material well-being of citizens of the Commonwealth, and particularly those residing in qualified counties, depend in large measure upon the development and growth of industry in the Commonwealth.

(2) The general assembly hereby finds and declares further that it is in the best interest of the Commonwealth to induce the location of manufacturing facilities within the qualified counties of the Commonwealth in order to advance the public purposes of relieving unemployment by creating new jobs within the qualified counties that but for the inducements to be offered by the authority to approved companies as herein provided would not exist and of creating new sources of tax revenues for the support of the public services provided by the Commonwealth and qualified counties.

(3) The general assembly hereby finds and declares further that the authority granted by this Act and the purposes to be accomplished hereby are proper governmental and public purposes for which public monies may be expended, and that the inducement of the location of manufacturing facilities within qualified counties is of paramount importance, mandating that the provision of this Act be liberally construed and applied in order to advance the public purposes.

SECTION 3. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

(1) There is hereby created and established an agency and instrumentality and political subdivision of the Commonwealth and a public body corporate and politic to be known as the Kentucky depressed counties economic development authority, to perform essential governmental and public functions and purposes in improving and otherwise promoting the general welfare and material well-being of the people of the Commonwealth by the promotion, support and financing of economic development projects in qualified counties.

(2) The authority shall be governed by a board of directors consisting of seven (7) members, two (2) of whom shall be the secretary of the economic development cabinet and the secretary of the finance and administration cabinet, as ex officio public directors and five (5) of whom shall be private directors.

(3) Upon organization of the authority, the governor of the Commonwealth shall appoint five (5) private directors to take office and to exercise all powers thereof immediately. Any appointee as private director shall serve until a qualified successor is appointed. In the case of a vacancy in the office of a private director, the governor may appoint a person from the appropriate list of candidates to hold office during the remainder of the term. The governor may remove any private director in case of incompetency, neglect of duty, gross immorality or malfeasance in office; declare the office of the private director vacant; and appoint a person for the vacancy from the appropriate list of candidates to hold office during the remainder of the term.

(4) The private directors of the authority shall each serve a term of four (4) years, except that the terms of the first appointments will be made as follows: two (2) private directors shall serve for a term of two (2) years, two (2) private directors shall serve for a term of three (3) years, and one (1) private director shall serve for a term of four (4) years.

(5) The secretary of the economic development cabinet shall serve as the chairman and presiding officer of the authority and the secretary of the finance and administration cabinet shall serve as the vice chairman

of the authority and shall serve as presiding officer of the authority in the absence of its chairman. The authority may elect a secretary and treasurer, who are not required to be directors of the authority, each of whom shall serve at the pleasure of the authority and shall receive compensation to be determined by the authority, with the approval of the commissioner of personnel, to be paid from funds appropriated for the purpose. Any treasurer elected by the authority shall deliver to the authority and the Commonwealth a bond for his faithful accounting of all funds coming into his custody, from time to time, in the amount the authority shall prescribe. The bond shall be given by a corporate surety qualified to do business in the Commonwealth and the premium shall be paid by the authority.

(6) Each public director of the authority may designate an alternate to attend meetings and participate in the consideration of and voting upon business and transactions, in the same manner and subject to the same procedures as are set forth in KRS 56.450(5) for members and alternates of the state property and buildings commission. Alternates shall not count toward the establishment of a quorum except as provided in subsection (7) of this section. Private directors shall not designate alternates.

(7) A majority of the board of directors of the authority, determined by excluding any existing vacancies from the total number of directors and by excluding any alternates from the majority, shall constitute a quorum for the purposes of conducting its business and exercising its powers and for all other purposes. One (1) alternate may be substituted for a public director in order to establish the quorum, if no business is transacted beyond the scope of authority of the alternate as described in the written instrument designating the alternate.

(8) Action shall be taken by the authority upon a vote of a majority of the directors present at a meeting, at which a quorum shall exist, called upon three (3) days' written notice to each director or upon the concurrence of any six (6) directors.

(9) The directors shall receive no compensation for their services in that capacity, but shall be entitled to their reasonable and necessary expenses actually incurred in discharging their duties as directors under this Act.

SECTION 4. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

The authority shall have all of the powers necessary or convenient to carry out and effectuate the purposes and provisions of this Act, including, but without limiting the generality of the foregoing, the power:

(1) To provide and finance economic development projects pursuant to the provisions of this Act, and cooperate with qualified counties and eligible companies in order to promote, foster and support economic development within the qualified counties;

(2) To conduct hearings and inquiries, in the manner and by the methods as it deems desirable, including without limitation, appointment of special committees, for the purpose of gathering information with respect to qualified counties, eligible companies, and economic development projects, for the purpose of making any determinations necessary or desirable in the furtherance of this Act;

(3) To negotiate the terms of and enter into leases with approved companies, and in connection therewith to acquire, convey, sell, mortgage, finance, or otherwise dispose of any property, real or personal, in connection with an economic development project, and to pay, or cause to be paid, in accordance with the provisions of a lease, the approved costs of an economic development project from any funds available therefor;

(4) To appoint an executive director, who shall be an officer of the authority, to administer the business of the authority as provided in this Act and to delegate to the executive director the rights and powers of the authority required for the proper and desirable execution of the purpose of the authority;

(5) To consent, if it deems it necessary or desirable in the fulfillment of its purposes, to the modification of the terms of any lease, bonds, instrument, contract or agreement of any kind to which the authority is a party;

(6) To include in any borrowing the amounts deemed necessary by the authority to pay financing charges, consultant, advisory and legal fees, fees for bond insurance, letters of credit or other forms of credit enhancement, investment advisory fees, trustees' fees, and other expenses necessary or incident to the borrowing;

(7) To make and publish administrative regulations respecting its programs and other administrative regulations necessary or appropriate to effectuate its purposes, and necessary to administer the procedures and program as provided for in this Act;

(8) To make, execute and effectuate any and all agreements or other documents with any governmental agency or any person, corporation, association, partnership, or other organization or entity, necessary or appropriate to accomplish the purposes of this Act, including any financing agreements with state agencies or any political subdivisions of the Commonwealth under which funds may be pledged by or to the authority for the payment of its bonds;

(9) To accept gifts, devises, bequests, grants, loans, appropriations, revenue sharing, other financing and assistance and any other aid from any source and to agree to, and to comply with, conditions attached thereto;

(10) To sue and be sued in its own name, plead and be impleaded;

(11) To maintain an office in the city of Frankfort and at any other place or places as it may determine;

(12) To adopt an official seal and alter the same at pleasure;

(13) To adopt bylaws for the regulation of its affairs and the conduct of its business and to prescribe rules, regulations and policies in connection with the performance of its functions and duties;

(14) To employ fiscal consultants, attorneys, appraisers, investment advisors, trustees and other consultants, agents and employes required in the judgment of the authority and to fix and pay their compensation from funds available to the authority therefor;

(15) To invest any funds held by the authority or its agents or trustees, including, but not limited to, the proceeds of bonds issued under this Act, reserve or other funds, or any moneys not required for immediate disbursement, and the investment income on any of the foregoing, in obligations guaranteed by the Commonwealth, the United States of America, or their agencies or instrumentalities, or in other investments permitted by this Act; and

(16) To exercise any or all of the general corporate powers of a nonprofit corporation organized under the laws of the Commonwealth and not inconsistent with the provisions of this Act.

SECTION 5. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

The secretary of the economic development cabinet shall provide sufficient personnel to serve as staff for the authority in order to permit the authority to adequately discharge its duties and responsibilities described in this Act.

SECTION 6. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

No director or officer of the authority shall be subject to any personal liability or accountability by reason of his execution of any bonds of the authority or the issuance thereof.

SECTION 7. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

The authority may accept and expend moneys which may be appropriated from time to time by the general assembly or moneys which may be received from any source, including income from the authority's operations, for effectuating its purposes, including, without limitation, the payment of the expenses of administration and operation and the establishment and, if deemed desirable, maintenance of a reserve or contingency fund to be available for the payment of the principal of and the interest on any bonds of the authority.

SECTION 8. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

If any director, officer or employe of the authority shall be interested, directly or indirectly, or shall be an officer or employe of or have an ownership interest in any firm or corporation interested, directly or indirectly,

in any contract with the authority, the interest shall be disclosed to the authority and shall be set forth in the minutes of the authority; and the director, officer or employee having the interest therein shall not participate on behalf of the authority in the authorization of the contract.

SECTION 9. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

(1) Each year the authority shall, on the basis of the final unemployment figures calculated by the department of employment services within the cabinet for human resources, determine which counties have had a countywide rate of unemployment exceeding the statewide unemployment rate of the Commonwealth in each of the most recent five (5) consecutive years and shall certify each county is a qualified county. Any county certified by the authority as a qualified county shall remain certified as such for two (2) years following the date of certification.

(2) The authority shall promulgate standards for the determination and approval of eligible companies and their economic development projects. These standards shall give greatest weight to the creditworthiness of eligible companies; the number of new jobs to be provided by an economic development project to residents of the Commonwealth, and in particular to the residents of the qualified county; and the likelihood of the economic success of the economic development project. With respect to each eligible company making an application to the authority for inducements, and with respect to the economic development project described in the application, the authority shall request the materials from the applicant that are necessary or appropriate. After a diligent review of relevant materials and completion of its inquiries, the authority may by resolution of its board of directors designate an eligible company to be an approved company and authorize the undertaking of its economic development project in the qualified county.

SECTION 10. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

The authority may enter into, with any approved company, a lease with respect to its economic development project. The terms and provisions of each lease shall be determined by negotiations between the authority, as lessor, and the approved company, as lessee, except that each lease shall include the following provisions:

(1) The term of a lease shall not be less than the last maturity of the bonds issued with respect to the economic development project, except that the lease may terminate upon the earlier redemption of all of the bonds issued with respect to the economic development project and may grant to the approved company an option to purchase, for the consideration the authority may approve, the economic development project from the authority upon the termination of the lease. Nothing in this subsection shall limit the extension of the term of a lease if there is a refunding of the correlative bonds or otherwise.

(2) The lease shall specify that the annual rental obligations to be made by the approved company shall equal in each year the annual debt service for that year on the bonds issued with respect to the economic development project; and there shall be credited in each year, for the benefit of the approved company, against the annual rental obligation:

(a) The total state income tax actually paid in the year to the Commonwealth by the approved company on the income of the approved company generated by or arising out of the economic development project, plus

(b) The total state income tax paid in the year to the Commonwealth by each of the employees of the approved company with respect to the wages paid by the approved company to the employees for services rendered at the economic development project, plus

(c) An amount equal to the total taxes paid with respect to the economic development project, by employees of the approved company pursuant to any Kentucky law imposing a two percent (2%) tax on the wages of the employees for the purpose of financing a portion of the approved costs of the economic development project or to any assessment deducted by the approved company from the wages of the employees pursuant to the authority of this Act.

(3) The lease shall provide that to the extent any credits against the annual rental payments calculated as set forth in subsection (2) of this section exceed the annual rental obligation of the approved company for any year, the excess credits may be carried forward, on a cumulative basis, as a credit against the annual rental obligation of the approved company in future years. No cash refunds or rebates shall be permitted for an overpayment of annual rental payments in previous years.

(4) *The lease shall provide that it may be assigned by the approved company only upon the prior written consent of the authority following the adoption of a resolution by the authority to such effect and that, upon the default by the approved company in the obligation to render its annual rental payment, the authority shall have the right, at its option, to declare the lease in default and to accelerate the total of all annual rental payments that are to be made or to terminate the lease and sell the economic development project at public or private sale, or to pursue any other remedies available under the Kentucky Uniform Commercial Code, as from time to time amended, or otherwise available in law or equity.*

SECTION 11. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

By June 15 of each year, the revenue cabinet of the Commonwealth shall certify to the authority the state income tax liability for the preceding of each approved company with respect to an economic development project financed through the issuance of bonds; the total state income tax liability for the preceding year of the employees of the approved company with respect to the earned income of the employees derived from employment at the economic development project; and the total taxes, if any, collected by the revenue cabinet in the preceding year pursuant to any Kentucky law imposing a two percent (2%) tax on the wages of employees derived from employment at an economic development project.

SECTION 12. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

(1) *If a two percent (2%) tax on the wages of employees of an approved company in connection with an economic development project is not imposed by the Commonwealth or is declared unconstitutional by the Supreme Court of Kentucky, any approved company may, commencing with the effective date of a lease between the approved company and the authority, require that each employee at the economic development project finance from the proceeds of the bonds, as a condition of employment, consent to a two percent (2%) assessment on the wages of each employee.*

(2) *If an approved company shall elect to impose the two percent (2%) assessment as a condition to employment, it shall deduct the two percent (2%) assessment from each paycheck of each employee and transfer all assessments, together with interest earned thereon, if any, to the Kentucky state treasurer.*

(3) *Any approved company collecting an assessment as provided in subsection (1) of this section shall make its payroll books and records available to the authority at such reasonable times as the authority shall request and shall file with the authority documentation respecting the assessment as the authority may require.*

(4) *Any assessment of the wages of employees of an approved company in connection with their employment at an economic development project pursuant to subsection (1) of this section shall lapse on the date on which the economic development project ceases to be owned by the authority or the bonds are retired, whichever is earlier.*

SECTION 13. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

(1) *The authority may issue in its own name, from time to time, for the purpose of financing the approved costs of an economic development project, its bonds and to pledge for the payment thereof funds derived in respect of any financing agreement or other arrangement entered into by the authority and the economic development cabinet and any other state agency or political subdivision of the Commonwealth.*

(2) *In anticipation of the issuance of bonds, the authority may provide for the issuance, at one (1) time or from time to time, of bond anticipation notes. The principal of and the interest on the notes shall be payable solely from the funds herein provided for the payment. Any notes may be made payable from the proceeds of bonds or renewal notes or, if bond or renewal note proceeds are not available, the notes may be paid from any available revenues or assets of the authority.*

(3) *The bonds of each issue may be made redeemable before maturity at the option of the authority at the price or prices and under the terms and conditions determined by the authority. Any bonds shall bear interest at the rate or rates determined by the authority. The authority shall determine the form and manner of execution of the bonds, including any interest coupons to be attached thereto, and shall fix the denomination or denominations and the place or places of payment of principal and interest, which may be any bank or trust company within or without the Commonwealth. If any officer whose signature or a facsimile of whose signature shall appear on any bonds or coupons attached thereto, if any, shall cease to be such officer before the delivery thereof, the signature or the facsimile shall nevertheless be valid and sufficient for all purposes as if he had remained*

in office until the delivery. The authority may also provide for the authentication of the bonds by a trustee or fiscal agent. The bonds may be issued in coupon or in registered form, or both, as the authority may determine, and provision may be made for the registration of any coupon bonds as to principal alone and as to both principal and interest, and for the reconversion into coupon bonds of any bonds or notes registered as to both principal and interest, and for the exchange of registered and coupon bonds. Upon the adoption of a resolution of the authority authorizing the sale of its bonds, the bonds may be sold in the manner, either at public or private sale, and for the price the authority shall determine to be for the best interest of the authority and best effectuate the purposes of this Act.

(4) Any bonds issued under the provisions of this Act may be issued, either at public or private sale, as commercial paper revenue bonds or variable rate revenue bonds, in the same manner as provided in KRS 56.514(1), 56.514(3)(d) and 56.514(3)(e) for bonds and notes of the state property and buildings commission issued to finance industrial development projects, or as bonds or notes which pay interest currently or which pay interest at times certain in the future or at maturity, as premium bonds or as discount bonds or as bonds or notes which are convertible into any of the foregoing at one (1) time or from time to time, or as bonds or notes combining one (1) or more of the foregoing features or containing other features which in the sound discretion of the authority shall be in the best interests of the public purposes of the authority under this Act.

(5) The proceeds of any bonds shall be used solely for the purposes for which issued and shall be disbursed in the manner and under the restrictions, if any, the authority may provide in the resolution authorizing the issuance of the bonds or in a trust indenture securing the same.

(6) Prior to the preparation of definitive certificates evidencing the bonds, the authority may, under like restrictions, issue interim receipts or temporary certificates, with or without coupons, exchangeable for definitive certificates when the certificates have been executed and are available for delivery. The authority may also provide for the replacement of any certificates which become mutilated or are destroyed or lost.

(7) The finance and administration cabinet shall provide the authority such fiscal consultant services regarding revenue bond management as may be necessary.

SECTION 14. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

(1) Bonds issued under the provisions of this Act shall not be deemed to constitute a debt, liability or obligation of the Commonwealth or of any political subdivision or taxing authority thereof or a pledge of the faith and credit of the Commonwealth or of any political subdivision or taxing authority, but shall be payable solely from the revenues or assets of the authority legally available for the purpose and pledged therefor. A bond issued under this Act shall contain on its face a statement to the effect that the authority shall not be obligated to pay the same nor the interest thereon except from the revenues or assets pledged therefor and that neither the faith and credit nor the taxing power of the Commonwealth or any political subdivision or taxing authority thereof is pledged to the payment of the principal of or the interest on bonds.

(2) Expenses incurred by the authority in carrying out the provisions of this Act may be made payable from funds provided pursuant to this Act; and no liability shall be incurred by the authority beyond the extent to which moneys shall have been provided.

SECTION 15. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

In the discretion of the authority, any bonds issued under the provisions of this Act may be secured by a trust indenture between the authority and a corporate trustee, which may be any trust company or bank having the powers of a trust company within or without the Commonwealth. The trust indenture or the resolution providing for the issuance of the bonds may pledge or assign all or any part of the revenues or assets of the authority, including, without limitation, the proceeds of the bonds pending disbursement thereof, reserve funds or other funds, if any, established in connection with the issuance of the bonds or otherwise established by the board of directors to enable the authority to effectuate its proper public purposes, any contracts, agreements and other security or investment obligations, any fees, or charges made or received by the authority, and any other moneys received or to be received by the authority, including, without limitation, all investment income received on any of the foregoing. The trust indenture or resolution may contain such provisions for protecting and enforcing the rights and remedies of the holders of any bonds as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the authority in relation to the purposes to which the proceeds of any bonds may be applied, the disposition or pledging of the revenues or assets of the authority, the terms and conditions for the issuance of additional bonds, and the custody, safeguarding and application

of all moneys. It shall be lawful for any bank or trust company incorporated under the laws of the Commonwealth which may act as depository of the proceeds of bonds, revenues or other money to furnish the indemnifying bonds or to pledge the securities as required by the authority. Any trust indenture or resolution may set forth the rights and remedies of the holders of any bonds and of the trustee, and may restrict the individual right of action by any holders. In addition to the foregoing, any trust indenture or resolution may contain other provisions the authority may deem reasonable and proper for the security of the holders of any bonds. All expenses incurred in carrying out the provisions of the trust indenture or resolution may be paid from the revenues or assets pledged or assigned to the payment of the principal of and the interest on bonds or from any other funds available to the authority.

SECTION 16. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

The pledge of any revenues or assets of the authority to the payment of the principal of or the interest on any bonds shall be valid and binding from the time when the pledge is made. Any revenues derived under any financing agreement and any assets or revenues of the authority shall immediately be subject to the lien of the pledge without any physical delivery thereof or further act, and the lien of any pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the authority, irrespective of whether the parties have notice thereof. Nothing herein shall be construed to prohibit the authority from selling any assets subject to any pledge or from applying any assets in furtherance of its proper public purposes, except to the extent that any sale or application may be restricted by the trust indenture or resolution providing for the issuance of bonds.

SECTION 17. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

Notwithstanding any other provisions of law to the contrary, all moneys received pursuant to the authority of this Act shall be deemed to be trust funds to be held and applied solely as provided in this Act, and for the benefit of the holders of bonds issued under or pursuant to this Act. The resolution authorizing any bonds or the trust indenture securing them may provide that any of the moneys may be temporarily invested pending the disbursement and shall provide that any officer with whom, or any bank or trust company with which, the moneys shall be deposited shall act as trustee of the moneys and shall hold and apply them for the purposes of this Act, subject to the regulations this Act and the resolution or trust indenture may provide. Any such moneys or any other moneys of the authority may be invested as provided in KRS 386.020.

SECTION 18. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

Any holder of bonds issued under the provisions of this Act or any coupons appertaining thereto, if any, and the trustee under any trust indenture or resolution authorizing or securing the issuance of bonds, except to the extent the rights herein given may be restricted by the trust indenture or resolution, may, either at law or in equity, by suit, action, mandamus or other proceeding, protect and enforce any and all rights under the laws of the state or granted hereunder or under the trust indenture or resolution, or under any other contract executed by the authority pursuant to this Act, and may enforce and compel the performance of all duties required by this Act or by the trust indenture or resolution to be performed by the authority or by any officer thereof.

SECTION 19. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

Notwithstanding any of the foregoing provisions of this Act or any recitals in any bonds issued under or pursuant to the provisions of this Act, all bonds, and interest coupons appertaining thereto, if any, shall be and are hereby made negotiable instruments under the laws of the Commonwealth, subject only to any applicable provisions for registration.

SECTION 20. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

Bonds issued under the provisions of this Act shall be securities in which all public officers and public bodies of the Commonwealth and its political subdivisions, all insurance companies, trust companies, banking associations, investment companies, executors, administrators, trustees and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them. The bonds shall be securities which may properly and legally be deposited with and received by any state or municipal officer or any agency or political subdivision of the Commonwealth for any purpose for which the deposit of bonds, notes or obligations of the Commonwealth is now or may hereafter be authorized by law.

SECTION 21. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

(1) *The authority may provide for the issuance of refunding obligations for the purpose of refunding all or any portion of any bonds then outstanding which shall have been issued under the provisions of this Act, including the payment of any redemption premium thereon and any interest accrued or to accrue to the date of redemption of the obligations and, if deemed advisable by the authority, for any purpose of the authority. The issuance of the obligations, the maturities and other details thereof, the rights of the holders thereof, and the rights, duties and obligations of the authority in respect to them shall be governed by the provisions of this Act which relate to the issuance of bonds, insofar as the provisions may be appropriate therefor.*

(2) *Refunding obligations may be sold or exchanged for outstanding bonds issued under this Act; and, if sold, the proceeds thereof may be applied, in addition to any other authorized purposes, to the purchase, redemption or payment of the outstanding bonds. Pending the application of the proceeds of any refunding obligations, with any other available funds, to the payment of the principal, accrued interest and any redemption premium on the bonds being refunded, and, if so provided or permitted in the resolution authorizing the issuance of the refunding obligations or in the trust indenture securing the same, to the payment of any interest on the refunding obligations and any expenses in connection with the refunding, the proceeds may be invested in obligations specified in the resolution authorizing the bonds to be refunded or the trust indenture securing them.*

SECTION 22. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

As an alternative to the procedures for the issuance of bonds set forth in this Act, the authority may apply, from time to time, to the state property and buildings commission for the issuance of bonds pursuant to provisions of KRS 56.450(4) and to pledge for the payment of the bonds all or any part of the funds available to the authority for the purpose, including any funds derived in respect of appropriations by the general assembly made to the authority, at one (1) time or from time to time, for the purpose or received by the authority, pursuant to the terms of a financing agreement entered into between the authority and the economic development cabinet or any other state agency.

SECTION 23. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

The foregoing sections of this Act shall be deemed to provide an additional and alternative method for performing the acts authorized thereby and shall be regarded as supplemental and additional to powers conferred by other laws, and shall not be regarded to be in derogation of any powers now existing. It shall not be necessary for the issuance of bonds under the provisions of this Act to comply with the requirements of any other law applicable to the issuance of bonds. The issuance of bonds under this Act shall not require the consent of any department, division, commission, board, body, bureau or agency of the Commonwealth, and shall not require any other proceedings or the happening of any conditions other than those conditions which are specifically required by this Act or by the provisions of the resolution authorizing the issuance of the bonds or the trust agreement securing the same.

SECTION 24. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

(1) *There shall be imposed by the Commonwealth, and collected by the revenue cabinet, a two percent (2%) annual tax on the wages of persons employed by an approved company at any economic development project. There shall be excluded, for purposes of this section, from the wages of the employees, all non-wage income and income derived from employment other than at an economic development project.*

(2) *The liability of any person for the tax provided for in subsection (1) of this section shall commence as of the first day of the month next following the month in which the bonds of the authority issued with respect to the economic development project are sold, and shall terminate on the date on which the economic development project at which the person is employed ceases to be owned by the authority or the date on which the bonds issued to finance the economic development project are retired, whichever is earlier. The tax liability shall be prorated on a quarterly basis with respect to the year in which the tax liability terminates.*

(3) *Any person subject to the tax liability imposed by subsection (1) of this section shall be entitled to claim as a credit, against any occupational tax imposed by any city, county or other unit of local government on the income of such person, the total amount of tax paid by the person pursuant to subsection (1) of this section for so long as the person remains subject to the tax liability of subsection (1) of this section.*

SECTION 25. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

This chapter shall be known and may be cited as the "Kentucky Depressed Counties Economic Development

Program Act."

Section 26. To carry out the purpose of this Act, there is hereby appropriated to the Kentucky depressed counties economic development authority, for fiscal year 1988-89 the sum of twenty-five million dollars (\$25,000,000) and for fiscal year 1989-90, the sum of twenty-five million dollars (\$25,000,000), for the administration of this Act and for the issuance of bonds by the authority for fiscal years 1988-90. Any bonds not authorized and issued by the authority in the 1988-89 fiscal year or the 1989-90 fiscal year shall not lapse, but shall be carried forward to the future fiscal years.

The Committee Substitute to **SB 280** is as follows:

SB 280. AN ACT relating to economic development, the tax credits related to the financing thereof.

WHEREAS, it is the public policy of the Commonwealth of Kentucky to encourage, support and promote economic development and the growth of industry in the Commonwealth of Kentucky in order to relieve the condition of unemployment and increase the tax revenues of the Commonwealth and its political subdivisions, thereby benefiting the general welfare and material well-being of its citizens; and

WHEREAS, those counties of the Commonwealth of Kentucky most in need of increased revenues and the means to alleviate high rates of unemployment require the assistance and support of the Commonwealth of Kentucky to establish, administer and fund a program designed to induce businesses to locate their manufacturing facilities within the counties of the Commonwealth of Kentucky suffering from high rates of unemployment;

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

The following words and terms, unless the context clearly indicates a different meaning, shall have the following respective meanings.

(1) "Approved company" means any eligible company seeking to locate an economic development project in a qualified county, which eligible company is approved by the authority pursuant to this Act.

(2) "Approved costs" means:

(a) Obligations incurred for labor and to contractors, subcontractors, builders and materialman in connection with the acquisition, construction and installation of an economic development project;

(b) The cost of acquiring land or rights in land and any cost incidental thereto, including recording fees;

(c) The cost of contract bonds and of insurance of all kinds that may be required or necessary during the course of acquisition, construction and installation of an economic development project which is not paid by the contractor or contractors or otherwise provided for;

(d) All costs of architectural and engineering services, including test borings, surveys, estimates, plans and specifications, preliminary investigations, and supervision of construction, as well as for the performance of all the duties required by or consequent upon the acquisition, construction and installation of an economic development project;

(e) All costs which shall be required to be paid under the terms of any contract or contracts for the acquisition, construction and installation of an economic development project; and

(f) All other costs of a nature comparable to those described above.

(3) "Assessment" means the job development assessment fee authorized by this Act.

(4) "Authority" means the Kentucky depressed counties economic development authority created by this Act.

(5) "Bonds" means the revenue bonds, notes or other debt obligations of the authority authorized to be issued by the authority, eligible companies or other state agency.

(6) "Commonwealth" means the Commonwealth of Kentucky.

(7) "Economic development project" means and includes the acquisition of any real estate in a qualified county and the construction and installation thereon, and with respect thereto, of improvements and facilities necessary or desirable for improvement of the real estate, including surveys, site tests and inspections, subsurface site work, excavation, removal of structures, roadways, cemeteries and other surface obstructions, filling, grading and provision of drainage, storm water detention, installation of utilities such as water, sewer, sewage treatment, gas, electricity, communications and similar facilities, off-site construction of utility extensions to the boundaries of the real estate, and the acquisition and installation of manufacturing facilities on the real estate, for lease by the authority to an approved company for use and occupancy by the approved company or its affiliates for manufacturing purposes.

(8) "Eligible company" means any corporation, partnership, sole proprietorship, business trust or other entity engaged in manufacturing which meets the standards promulgated by the authority pursuant to this Act.

(9) "Financing agreement" means any agreement entered into, pursuant to this Act, on behalf of the authority or other lenders or both and an approved company with respect to an economic development project.

(10) "Manufacturing" means any activity involving the manufacturing, processing, assembling or production of any property, including the processing resulting in a change in the conditions of the property and any activity functionally related thereto, together with the storage, warehousing, distribution and related office facilities in respect thereof; however, in no event shall "manufacturing" include mining, coal or mineral processing, or extraction of minerals.

(11) "Qualified county" means any county certified as such by the authority pursuant to this Act.

(12) "State agency" shall have the meaning assigned to the term in KRS 56.440(8).

(13) "Revenues" shall not be considered state funds.

SECTION 2. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

(1) The general assembly hereby finds and declares that the general welfare and material well-being of citizens of the Commonwealth, and particularly those residing in qualified counties, depends in large measure upon the development and growth of industry in the Commonwealth.

(2) The general assembly hereby finds and declares further that it is in the best interest of the Commonwealth to induce the location of manufacturing facilities within the qualified counties of the Commonwealth in order to advance the public purposes of relieving unemployment by creating new jobs within the qualified counties that but for the inducements to be offered by the authority to approved companies as herein provided would not exist and of creating new sources of tax revenues for the support of the public services provided by the Commonwealth and qualified counties.

(3) The general assembly hereby finds and declares further that the authority granted by this Act and the purposes to be accomplished hereby are proper governmental and public purposes for which public monies may be expended, and that the inducement of the location of manufacturing facilities within qualified counties is of paramount importance, mandating that the provision of this Act be liberally construed and applied in order to advance the public purposes.

SECTION 3. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS.

(1) There is hereby created and established an agency and instrumentality and political subdivision of the Commonwealth and a public body corporate and politic to be known as the Kentucky depressed counties

economic development authority, to perform essential governmental and public functions and purposes in improving and otherwise promoting the general welfare and material well-being of the people of the Commonwealth by the promotion, support and financing of economic development projects in qualified counties.

(2) The authority shall be governed by a board of directors consisting of seven (7) members, two (2) of whom shall be the secretary of the economic development cabinet and the secretary of the finance and administration cabinet, as ex officio public directors and five (5) of whom shall be private directors.

(3) Upon organization of the authority, the governor of the Commonwealth shall appoint five (5) private directors to take office and to exercise all powers thereof immediately. Any appointee as private director shall serve until a qualified successor is appointed. In the case of a vacancy in the office of a private director, the governor may appoint a person to hold office during the remainder of the term. The governor may remove any private director in case of incompetency, neglect of duty, gross immorality or malfeasance in office; declare the office of the private director vacant; and appoint a person for the vacancy to hold office during the remainder of the term.

(4) The private directors of the authority shall each serve a term of four (4) years, except that the terms of the first appointments will be made as follows: two (2) private directors shall serve for a term of two (2) years, two (2) private directors shall serve for a term of three (3) years, and one (1) private director shall serve for a term of four (4) years.

(5) The secretary of the finance and administration cabinet shall serve as the chairman and presiding officer of the authority and the secretary of the economic development cabinet shall serve as the vice chairman of the authority and shall serve as presiding officer of the authority in the absence of its chairman. The authority may elect a secretary and treasurer, who are not required to be directors of the authority, each of whom shall serve at the pleasure of the authority and shall receive compensation to be paid from funds appropriated for the purpose. Any treasurer elected by the authority shall deliver to the authority and the Commonwealth a bond for his faithful accounting of all funds coming into his custody, from time to time, in the amount the authority shall prescribe. The bond shall be given by a corporate surety qualified to do business in the Commonwealth and the premium shall be paid by the authority.

(6) Each public director of the authority may designate an alternate to attend meetings and participate in the consideration of and voting upon business and transactions, in the same manner and subject to the same procedures as are set forth in KRS 56.450(5) for members and alternates of the state property and buildings commission. Private directors shall not designate alternates.

(7) A majority of the board of directors of the authority, determined by excluding any existing vacancies from the total number of directors, shall constitute a quorum for the purposes of conducting its business and exercising its powers and for all other purposes.

(8) Action shall be taken by the authority upon a vote of a majority of the directors present at a meeting, at which a quorum shall exist, called upon three (3) days written notice to each director or upon the concurrence of any six (6) directors.

(9) The directors shall receive no compensation for their services in that capacity, but shall be entitled to their reasonable and necessary expenses actually incurred in discharging their duties as directors under this Act.

SECTION 4. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

The authority shall have all the powers necessary or convenient to carry out and effectuate the purposes and provisions of this Act, including, but without limiting the generality of the foregoing, the power:

(1) To provide and finance economic development projects pursuant to the provisions of this Act, and cooperate with qualified counties and eligible companies in order to promote, foster and support economic development within the qualified counties;

(2) To conduct hearings and inquiries, in the manner and by the methods as it deems desirable, including without limitation, appointment of special committees, for the purpose of gathering information with respect to qualified counties, eligible companies, and economic development projects, for the purpose of making any

determinations necessary or desirable in the furtherance of this Act;

(3) To negotiate the terms of and enter into financing agreements with approved companies, and in connection therewith to acquire, convey, sell, mortgage, finance, or otherwise dispose of any property, real or personal, in connection with an economic development project, and to pay, or cause to be paid, in accordance with the provisions of a financing agreement, the approved costs of an economic development project from any funds available therefor;

(4) To appoint an executive director, who shall be an officer of the authority, to administer the business of the authority as provided in this Act and to delegate to the executive director the rights and powers of the authority required for the proper and desirable execution of the purpose of the authority;

(5) To consent, if it deems it necessary or desirable in the fulfillment of its purposes, to the modification of the terms of any financing agreements of any kind to which the authority is a party;

(6) To include in any borrowing the amounts deemed necessary by the authority to pay financing charges, consultant, advisory and legal fees, fees for bond insurance, letters of credit or other forms of credit enhancement, investment advisory fees, trustees' fees, and other expenses necessary or incident to the borrowing;

(7) To make and publish administrative regulations respecting its programs and other administrative regulations necessary or appropriate to effectuate its purposes, and necessary to administer the procedures and program as provided for in this Act;

(8) To make, execute and effectuate any and all agreements or other documents with any governmental agency or any person, corporation, association, partnership, or other organization or entity, necessary or appropriate to accomplish the purposes of this Act, including any financing agreements with state agencies or any political subdivisions of the Commonwealth under which funds may be pledged by or to the authority for the payment of its bonds;

(9) To accept gifts, devises, bequests, grants, loans, appropriations, revenue sharing, other financing and assistance and any other aid from any source and to agree to, and to comply with, conditions attached thereto;

(10) To sue and be sued in its own name, plead and be impleaded;

(11) To maintain an office in the city of Frankfort and at any other place or places as it may determine;

(12) To adopt an official seal and alter the same at pleasure;

(13) To adopt bylaws for the regulation of its affairs and the conduct of its business and to prescribe rules, regulations and policies in connection with the performance of its functions and duties;

(14) To employ fiscal consultants, attorneys, appraisers, investment advisors, trustees and other consultants, agents and employes required in the judgment of the authority and to fix and pay their compensation from funds available to the authority therefor;

(15) To invest any funds held by the authority or its agents or trustees, including, but not limited to, the proceeds of bonds issued under this Act, reserve or other funds, or any moneys not required for immediate disbursement, and the investment income on any of the foregoing, in obligations authorized by KRS 386.020; and

(16) To exercise any or all of the general corporate powers of a nonprofit corporation organized under the laws of the Commonwealth and not inconsistent with the provisions of this Act.

SECTION 5. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

The secretary of the economic development cabinet shall provide sufficient personnel to serve as staff for the authority in order to permit the authority to adequately discharge its duties and responsibilities described in this Act.

SECTION 6. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

No director or officer of the authority shall be subject to any personal liability or accountability by reason of his execution of any bonds of the authority or the issuance thereof.

SECTION 7. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

The authority may accept and expend moneys which may be appropriated from time to time by the general assembly or moneys which may be received from any source, including income from the authority's operations, for effectuating its purposes, including, without limitation, the payment of the expenses of administration and operation and the establishment and, if deemed desirable, maintenance of a reserve or contingency fund.

SECTION 8. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

No director, officer or employee of the authority shall be interested, directly or indirectly, or shall be an officer or employee of or have an ownership interest in any firm or corporation interested, directly or indirectly, in any contract with the authority.

SECTION 9. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

(1) Each year the authority shall, on the basis of the final unemployment figures calculated by the department of employment services within the cabinet for human resources, determine which counties have had a countywide rate of unemployment exceeding the statewide unemployment rate of the Commonwealth in four (4) of the most recent five (5) consecutive years and shall certify those counties as qualified counties. Any county with a population of nine thousand (9,000) or less according to the annual population figure calculated by the U.S. Bureau of the Census, may also be certified as a qualified county by the authority, regardless of the county's annual unemployment. If the authority determines that a county which has previously been certified as a qualified county no longer has an unemployment rate above the state average, then the authority shall decertify that county. The authority shall not finance any facilities in that county and an approved company shall not be eligible for the incentives offered by this Act unless the financing agreements required herein are entered into by all parties within one (1) year after the date of the decertification.

(2) The authority shall promulgate standards for the determination and approval of eligible companies and their economic development projects. These standards shall give greatest weight to the creditworthiness of eligible companies; the number of new jobs to be provided by an economic development project to residents of the Commonwealth; and the likelihood of the economic success of the economic development project. No economic development project which will replace manufacturing facilities existing in the state shall be approved by the authority. With respect to each eligible company making an application to the authority for inducements, and with respect to the economic development project described in the application, the authority shall request materials and make inquiries of the applicant as necessary or appropriate. After a diligent review of relevant materials and completion of its inquiries, the authority may by resolution of its board of directors designate an eligible company to be an approved company and authorize the undertaking of its economic development project in the qualified county.

SECTION 10. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

The authority may enter into, with any approved company, a financing agreement with respect to its economic development project. The terms and provisions of each financing agreement shall be determined by negotiations between the authority, and the approved company, except that each financing agreement shall include the following provisions:

(1) The term of a financing agreement shall not be less than the last maturity of the bonds issued with respect to the economic development project, except that the financing agreement may terminate upon the earlier redemption of all of the bonds issued with respect to the economic development project and may grant to the approved company an option to purchase, for the consideration the authority may approve, the economic development project from the authority upon the termination of the financing agreement. Nothing in this subsection shall limit the extension of the term of a financing agreement if there is a refunding of the correlative bonds or otherwise.

(2) The financing agreement shall specify that the annual obligations of the approved company pursuant

to this Act shall equal in each year the annual debt service for that year on the bonds issued with respect to the economic development project; and the approved company shall pay such obligation of the financing agreement to the trustee for bonds issued for the benefit of the approved company, at such time and in such amounts sufficient to amortize such bonds.

(3) (a) In consideration for financing agreement payment, the approved company may be permitted the following during the period of time in which the financing agreement is in effect, not to exceed twenty-five (25) years.

1. A one hundred percent (100%) credit against the Kentucky state income tax that otherwise would be owed in the year, as determined under Section 21 of this Act, to the Commonwealth by the approved company on the income of the approved company generated by or arising out of the economic development project, such credit not to exceed the total debt service paid under the respective financing agreement; plus

2. The aggregate assessment withheld by the approved company in each year.

(b) The income tax credited to the approved company referred to herein shall be credited in the fiscal year of the financing agreement in which the tax return of the approved company is filed. The approved company shall not be required to pay estimated income tax payments as prescribed in KRS 141.042.

(4) (a) The financing agreement shall provide that the assessments, when added to the credit for the Kentucky state corporate income tax herein granted, shall not exceed the total financing agreement annual payment by the approved company in any year, however, to the extent that financing agreement annual payments exceed credits received and assessments collected in any year, the excess payment may be recouped from excess credits or assessment collections in succeeding years.

(b) If during any fiscal year of the financing agreement the total of the income tax credit granted to the approved company plus the assessment collected from the wages of the employees equals the annual payment pursuant to the financing agreement, and if all excess payments pursuant to the financing agreement accumulated in prior years have been recouped, the assessment collected from the wages of the employees shall cease for the remainder of the fiscal year of the financing agreement.

(5) The financing agreement shall provide that:

(a) It may be assigned by the approved company only upon the prior written consent of the authority following the adoption of a resolution by the authority to such effect; and

(b) Upon the default by the approved company in the obligation to render its annual payment, the authority shall have the right, at its option, to declare the financing agreement in default and to accelerate the total of all annual payments that are to be made or to terminate the financing agreement and sell the economic development project at public or private sale, or to pursue any other remedies available under the Kentucky uniform commercial code, as from time to time amended, or otherwise available in law or equity.

SECTION 11. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

(1) The approved company shall be entitled to a credit against the Kentucky corporate income tax liability mandated by KRS Chapter 141, on such income as may result from the operation of the approved project; the credit shall be equal to the total amount of the liability, not to exceed the total debt service paid under the respective financing agreement.

(2) Thirty (30) days after the filing of the tax return of the approved company, the revenue cabinet of the Commonwealth shall certify to the authority the state income tax liability for the preceding year of each approved company with respect to an economic development project financed through the issuance of bonds and the amounts of any tax credits taken pursuant to this Act.

SECTION 12. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

(1) The approved company may require that each employee, as a condition of employment, agrees to pay a job development assessment fee, not to exceed six percent (6%) of the gross wages of each employee whose job

was created as a result of the economic development project, for the purpose of retiring the bonds which fund the economic development project.

(2) Each employe so assessed shall be entitled to credits against Kentucky income and local occupational taxes as follows:

(a) Two-thirds (2/3) of the job development assessment fee withheld from wages during the calendar year shall be permitted as a credit of Kentucky income tax withheld as provided by KRS 141.350;

(b) One-third (1/3) of the job development assessment fee withheld from wages during the calendar year shall be permitted as a credit against any local occupational license fee incurred by the employe for the taxable year in the jurisdiction in which the economic development project is located.

(3) If an approved company shall elect to impose the assessment as a condition of employment, it shall deduct the assessment from each paycheck of each employe.

(4) Any approved company collecting an assessment as provided in subsection (1) of this section shall make its payroll books and records available to the authority at such reasonable times as the authority shall request and shall file with the authority documentation respecting the assessment as the authority may require.

(5) Any assessment of the wages of employes of an approved company in connection with their employment at an economic development project pursuant to subsection (1) of this section shall lapse on the date the bonds are retired.

SECTION 13. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

(1) The authority may issue in its own name, from time to time, for the purpose of financing the approved costs of an economic development project, its bonds and may pledge for the payment thereof funds derived in respect of any financing agreement or other arrangement entered into by the authority and an approved company.

(2) In anticipation of the issuance of bonds, the authority may provide for the issuance, at one (1) time or from time to time, of bond anticipation notes. The principal of and the interest on the notes shall be payable solely from the funds herein provided for the payment. Any notes may be made payable from the proceeds of bonds or renewal notes; or, if bond or renewal note proceeds are not available, the notes may be paid from any available revenues or assets of the authority.

(3) The bonds of each issue may be made redeemable before maturity at the option of the authority at the price or prices and under the terms and conditions determined by the authority. Any bonds shall bear interest at the rate or rates determined by the authority. The authority shall determine the form and manner of execution of the bonds, including any interest coupons to be attached thereto, and shall fix the denomination or denominations and the place or places of payment of principal and interest, which may be any bank or trust company within or without the Commonwealth. If any officer whose signature or a facsimile of whose signature shall appear on any bonds or coupons attached thereto, if any, shall cease to be such officer before the delivery thereof, the signature or the facsimile shall nevertheless be valid and sufficient for all purposes as if he had remained in office until the delivery. The authority may also provide for the authentication of the bonds by a trustee or fiscal agent. The bonds may be issued in coupon or in registered form, or both, as the authority may determine, and provision may be made for the registration of any coupon bonds as to principal alone and as to both principal and interest, and for the reconversion into coupon bonds of any bonds or notes registered as to both principal and interest, and for the exchange of registered and coupon bonds. Upon the adoption of a resolution of the authority authorizing the sale of its bonds, the bonds may be sold in the manner, either at public or private sale, and for the price the authority shall determine to be for the best interest of the authority and to best effectuate the purposes of this Act.

(4) Any bonds issued under the provisions of this Act or any other applicable statute may be issued, either at public or private sale, as commercial paper revenue bonds or variable rate revenue bonds, in the same manner as provided in KRS 56.514(1), 56.514(3)(d) and 56.514(3)(e) for bonds and notes of the state property and buildings commission issued to finance industrial development projects, or as bonds or notes which pay interest currently or which pay interest at times certain in the future or at maturity, as premium bonds or as discount bonds or as bonds or notes which are convertible into any of the foregoing at one (1) time or from time to time, or as bonds or notes combining one (1) or more of the foregoing features or containing other features which in the sound discretion of the authority shall be in the best interests of the public purposes of the authority under

this Act.

(5) *The proceeds of any bonds shall be used solely for the purposes for which issued and shall be disbursed in the manner and under the restrictions, if any, the authority may provide in the resolution authorizing the issuance of the bonds or in a trust indenture securing the same.*

(6) *The principal and interest on the bonds issued by the authority shall be payable solely and only from proceeds derived under a financing agreement and shall be secured solely by the economic development project, the proceeds of the financing agreement, and such other assets as may be available, but not including revenues of the state.*

(7) *Prior to the preparation of definitive certificates evidencing the bonds, the authority may, under like restrictions, issue interim receipts or temporary certificates, with or without coupons, exchangeable for definitive certificates when the certificates have been executed and are available for delivery. The authority may also provide for the replacement of any certificates which become mutilated or are destroyed or lost.*

(8) *The finance and administration cabinet shall provide the authority such fiscal consultant services regarding revenue bond management as may be necessary.*

SECTION 14. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

(1) *Bonds issued under the provisions of this Act shall not be deemed to constitute a debt, liability or obligation of the Commonwealth or of any political subdivision or taxing authority thereof or a pledge of the faith and credit of the Commonwealth or of any political subdivision or taxing authority, but shall be payable solely from the revenues or assets of the authority legally available for the purpose and pledged therefor. A bond issued under this Act shall contain on its face a statement to the effect that the authority shall not be obligated to pay the same nor the interest thereon except from the revenues or assets pledged therefor and that neither the faith and credit nor the taxing power of the Commonwealth or any political subdivision or taxing authority thereof is pledged to the payment of the principal of or the interest on bonds.*

(2) *Expenses incurred by the authority in carrying out the provisions of this Act may be made payable from funds provided pursuant to this Act; and no liability shall be incurred by the authority beyond the extent to which moneys shall have been provided. Administrative fees may be collected pursuant to each financing agreement.*

SECTION 15. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

In the discretion of the authority, any bonds issued under the provisions of this Act may be secured by a trust indenture between the authority and a corporate trustee, which may be any trust company or bank having the powers of a trust company within or without the Commonwealth. The trust indenture or the resolution providing for the issuance of the bonds may pledge or assign all or any part of the revenues or assets of the authority, including, without limitation, the proceeds of the bonds pending disbursement thereof, reserve funds or other funds, if any, established in connection with the issuance of the bonds or otherwise established by the board of directors to enable the authority to effectuate its proper public purposes, any contracts, agreements and other security or investment obligations, any fees, or charges made or received by the authority, and any other moneys received or to be received by the authority, including, without limitation, all investment income received on any of the foregoing. The trust indenture or resolution may contain such provisions for protecting and enforcing the rights and remedies of the holders of any bonds as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the authority in relation to the purposes to which the proceeds of any bonds may be applied, the disposition or pledging of the revenues or assets of the authority, the terms and conditions for the issuance of additional bonds and the custody, safeguarding and application of all moneys. It shall be lawful for any bank or trust company incorporated under the laws of the Commonwealth which may act as depository of the proceeds of bonds, revenues or other money to furnish the indemnifying bonds or to pledge the securities as required by the authority. Any trust indenture or resolution may set forth the rights and remedies of the holders of any bonds and of the trustee, and may restrict the individual right of action by any holders. In addition to the foregoing, any trust indenture or resolution may contain other provisions the authority may deem reasonable and proper for the security of the holders of any bonds. All expenses incurred in carrying out the provisions of the trust indenture or resolution may be paid from the revenues or assets pledged or assigned to the payment of the principal of and the interest on bonds or from any other funds available to the authority.

SECTION 16. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

The pledge of any revenues or assets of the authority to the payment of the principal of or the interest on any bonds shall be valid and binding from the time when the pledge is made. Any revenues derived under any financing agreement and any assets or revenues of the authority shall immediately be subject to the lien of the pledge without any physical delivery thereof or further act, and the lien of any pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the authority, irrespective of whether the parties have notice thereof. Nothing herein shall be construed to prohibit the authority from selling any assets subject to any pledge or from applying any assets in furtherance of its proper public purposes, except to the extent that any sale or application may be restricted by the trust indenture or resolution providing for the issuance of bonds.

SECTION 17. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

Notwithstanding any other provisions of law to the contrary, all moneys received pursuant to the authority of this Act shall be deemed to be trust funds to be held and applied solely as provided in this Act, and for the benefit of the holders of bonds issued under or pursuant to this Act. The resolution authorizing any bonds or the trust indenture securing them may provide that any of the moneys may be temporarily invested pending the disbursement and shall provide that any officer with whom, or any bank or trust company with which, the moneys shall be deposited shall act as trustee of the moneys and shall hold and apply them for the purposes of this Act, subject to the regulations this Act and the resolution or trust indenture may provide. Any such moneys or any other moneys of the authority may be invested as provided in KRS 386.020.

SECTION 18. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

Any holder of bonds issued under the provisions of this Act or any coupons appertaining thereto, if any, and the trustee under any trust indenture or resolution authorizing or securing the issuance of bonds, except to the extent the rights herein given may be restricted by the trust indenture or resolution, may, either at law or in equity, by suit, action, mandamus or other proceeding, protect and enforce any and all rights under the laws of the state or granted hereunder or under the trust indenture or resolution, or under any other contract executed by the authority pursuant to this Act, and may enforce and compel the performance of all duties required by this Act or by the trust indenture or resolution to be performed by the authority or by any officer thereof.

SECTION 19. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

Notwithstanding any of the foregoing provisions of this Act or any recitals in any bonds issued under or pursuant to the provisions of this Act, all bonds, and interest coupons appertaining thereto, if any, shall be and are hereby made negotiable instruments under the laws of the Commonwealth, subject only to any applicable provisions for registration and interest income thereon shall not be includable in gross income for Kentucky state income tax purposes.

SECTION 20. A NEW SECTION OF KRS CHAPTER 152 IS CREATED TO READ AS FOLLOWS:

(1) The authority may provide for the issuance of refunding obligations for the purpose of refunding all or any portion of any bonds then outstanding which shall have been issued under the provisions of this Act, including the payment of any redemption premium thereon and any interest accrued or to accrue to the date of redemption of the obligations and, if deemed advisable by the authority, for any purpose of the authority. The issuance of the obligations, the maturities and other details thereof, the rights of the holders thereof, and the rights, duties and obligations of the authority in respect to them shall be governed by the provisions of this Act which relate to the issuance of bonds, insofar as the provisions may be appropriate therefor.

(2) Refunding obligations may be sold or exchanged for outstanding bonds issued under this Act; and, if sold, the proceeds thereof may be applied, in addition to any other authorized purposes, to the purchase, redemption or payment of the outstanding bonds. Pending the application of the proceeds of any refunding obligations, with any other available funds, to the payment of the principal, accrued interest and any redemption premium on the bonds being refunded, and, if so provided or permitted in the resolution authorizing the issuance of the refunding obligations or in the trust indenture securing the same, to the payment of any interest on the refunding obligations and any expenses in connection with the refunding, the proceeds may be invested in obligations specified in the resolution authorizing the bonds to be refunded or the trust indenture securing the same, to the payment of any interest on the refunding obligations and any expenses in connection with the refunding, the proceeds may be invested in obligations specified in the resolution authorizing the bonds to be refunded

or the trust indenture securing them.

SECTION 21. A NEW SECTION OF KRS CHAPTER 141 IS CREATED TO READ AS FOLLOWS:

(1) State income tax that would otherwise be owed by the corporation to the Commonwealth, except for subsection (3)(a) of section 10 of this Act, by an approved company on the income generated or arising from an approved company operations or activities as an economic development project shall be determined as follows:

(a) A corporation which is an approved company subject to income tax under KRS 141.040 shall compute the income tax due pursuant to KRS 141.010(13) through 141.010(14) including net income from the economic development project, subject to the applicable tax rate on tangible income.

(b) The corporation shall then compute the net income of the approved company as defined in subsection (1)(a) of this section excluding the net income from the economic development project subject to the applicable tax rate on taxable income.

(c) The difference between the tax computed in (a) and (b) of this section equals the income tax to be permitted to be applied as a credit by an approved company toward income tax owed, such credit not to exceed the total debt service under the respective financing agreement.

(d) Net income excluded from taxable income in computing the tax due under subsection (b) of this section shall be determined under a separate accounting method reflecting only the gross income, deductions, expenses, gains and credits allowed under KRS Chapter 141.

(e) The revenue cabinet may issue administrative regulations and require the filing of forms designed by the revenue cabinet to reflect the intent of this Act and the allowable income tax which an approved company may retain under this Act.

Section 22. KRS 141.350 is amended to read as follows:

The amount deducted and withheld as tax under KRS 141.310 and KRS 141.315 during any calendar year upon the wages of any individual and the amount of credit described in section 12, subsection (2) of this Act shall be allowed as a credit to the recipient of the income against the tax imposed by KRS 141.020, for taxable years beginning in the calendar year. If more than one (1) taxable year begins in the calendar year, the amount shall be allowed as a credit against the tax for the last taxable year so beginning.

Section 23. In order to ensure the proper and expedient implementation of the economic development program established under this Act, an emergency is declared to exist, and therefore, this Act shall become effective upon its passage and approval by the Governor.

The Committee on Appropriations and Revenue reported **SB 331** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Consent Calendar.

SB 331. AN ACT relating to the state property and buildings commission.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 56.440 is amended to read as follows:

As used in this chapter, unless the context otherwise requires:

(1) "Commission" means the state property and buildings commission;

(2) "Real estate" includes lands together with improvements thereon and appurtenances thereto;

(3) "Building" includes any structure or improvement upon real estate of a permanent nature and additionally includes any sites, structures, equipment, machinery or devices for the purpose of establishing, developing or furthering television or related services in aid of education or in aid of any other proper public

functions, whether or not the same would otherwise be legally defined as buildings; but only (except for industrial development projects) if used or to be used by the Commonwealth of Kentucky or one of its departments or agencies (not including independent municipal corporations or political subdivisions);

(4) "Building project" includes the *acquisition of any real estate and the acquisition, construction, reconstruction and structural maintenance of buildings, the installation of utility services, including roads and sewers, and the purchase and installation of equipment, facilities and furnishings of a permanent nature for buildings, and the purchase and installation initially of movable equipment, furnishings and appurtenances necessary to make a building operable, and for television or related purposes as referred to in subsection (3) of this section, for use by the state government or one of its departments or agencies, not including any independent municipal corporation or political subdivision, or any other capital outlay program authorized by appropriations acts or other legislation;*

(5) "Industrial development project" means and includes the acquisition of any real estate and the construction, acquisition and installation thereon and with respect thereto of improvements and facilities necessary and useful for the improvement of such real estate for conveyance to or lease to industrial entities to be used for manufacturing, processing or assembling purposes, including surveys, site tests and inspections, sub-surface site work, excavation, removal of structures, roadways, cemeteries and other surface obstructions, filling, grading and provision of drainage, storm water detention, installation of utilities such as water, sewer, sewage treatment, gas, electricity, communication and other similar facilities, off-site construction of utility extensions to the boundaries of such real estate, construction and installation of buildings including buildings to be used for worker training and education, rail facilities, roads, sidewalks, curbs and other improvements to such real estate necessary to its manufacturing, processing or assembling use by industrial entities; provided that an industrial entity must have agreed with the commission, prior to the financing of an industrial development project, to develop, in conjunction with such industrial development project, manufacturing, processing or assembling facilities satisfactory to the commission;

(6) "Industrial entity" means any corporation, partnership, person or other legal entity, whether domestic or foreign, which will itself or through its subsidiaries and affiliates construct and develop a manufacturing, processing or assembling facility on the site of an industrial development project financed pursuant to this chapter;

(7) "Incremental taxes" means, for any fiscal year of the Commonwealth, that amount of money which is equal to all tax revenues received by the Commonwealth, as taxing entity, during such fiscal year in respect of an industrial development project and improvements and equipment thereon and the products thereof, and activities carried out by the occupants and users of such industrial development project, minus an amount equal to all tax revenues received by the Commonwealth, as taxing entity, in respect of the site of the industrial development project and the same type of taxable properties and activities during the fiscal year immediately preceding the fiscal year during which construction of the improvements undertaken by an industrial entity as a result of the financing of such industrial development project commenced. Incremental taxes shall include such tax revenues as state corporate income taxes, state income taxes paid by employees of manufacturing, processing and assembling facilities developed on the site of an industrial development project, state property taxes, state corporation license taxes and state sales and use taxes but shall not include any taxes levied specifically for educational purposes;

(8) "State agency" means any state administrative body, agency, department or division as defined in KRS 42.005, or any board, commission, institution, or division exercising any function of the state but which is not an independent municipal corporation or political subdivision;

(9) "Cabinet" means the finance and administration cabinet;

(10) "Asbestos" means the asbestiform varieties of: chrysotile (serpentine); crocidolite (riebeckite); amosite (cummingtonite-grunerite); anthophyllite; tremolite; and actinolite;

(11) "Asbestos-containing material" means any material which contains more than one percent (1%) asbestos by weight; and

(12) "Friable material" means any material applied onto ceilings, walls, structural members, piping, ductwork, or any other part of the building structure which, when dry, may be crumbled, pulverized, or reduced to powder by hand pressure.

Section 2. KRS 56.514 is amended to read as follows:

The following provisions shall be applicable to *commission financing to carry out the purposes of this chapter* [~~KRS 56.440, 56.505, 56.510 and 56.513~~]:

(1) As used in this section, the following terms shall have the following meanings:

(a) "Commercial paper revenue bonds" means revenue bond anticipation notes which by their terms mature not more than two hundred seventy (270) days from the date of issuance thereof and are to be refunded by the issuance of commercial paper revenue bonds or by refunding revenue bonds; provided, however, that all commercial paper revenue bonds must possess the characteristics set forth and described in subsection (3)(d) of this section:

(b) "Refunding revenue bonds" means revenue bonds issued by the commission to refund outstanding issues of revenue bonds, commercial paper revenue bonds and variable rate revenue bonds; and

(c) "Variable rate revenue bonds" means revenue bonds the rate of interest on which fluctuates either automatically by reference to predetermined formulas and indices or pursuant to the standards set forth in subsection (3)(e) of this section.

(2) The commission may issue and sell revenue or other authorized bonds, including variable rate and commercial paper bonds, to pay all or any part of the expense or cost of or incidental to an industrial development project, *or a building project* in denominations and amounts, as it deems to be for the best interest of the Commonwealth.

(3) (a) Revenue bonds issued to pay the costs of industrial development projects *or building projects* may bear interest at any rate or rates, either fixed or variable in accordance with such method as shall be determined by the commission, shall be payable either annually or at shorter intervals, may be of such terms and maturities, may bear such conversion privileges, may be executed by the manual or facsimile signatures of such officers of the commission, and shall be executed in such manner and at such time or times, or from time to time, and be payable at such times not exceeding forty (40) years from the date thereof, or, if commercial paper, from the date of initial issuance thereof, and at such place or places as the commission determines;

(b) Such revenue bonds may provide that they or any of them may be called for redemption prior to maturity under conditions determined by the commission before issuing the bonds;

(c) Such revenue bonds may, at any time on or after the earliest redemption date provided therefor at the time of their issuance, be refunded by the commission, in such amount as the commission may deem necessary to refund the principal of the revenue bonds to be refunded, together with any unpaid interest thereon, to create any necessary debt service reserve fund, and to pay any premiums, expenses and commissions required to be paid in connection therewith;

(d) At the time of the initial issuance of commercial paper revenue bonds to pay the costs of industrial development projects *or building projects*, the commission may designate individual officials of any state agency as agents for purposes of approving the principal amount, the interest rate, the discount, if any, and the maturity date of revenue bonds being issued later to refund the maturing commercial paper revenue bonds; provided, however, that at the time of the initial issuance of any such commercial paper revenue bonds, the commission shall set the maximum principal amount, the maximum interest rate, and the maximum discount, if any, of the refunding revenue bonds plus the final maturity date of the last issue of such refunding revenue bonds; and provided further that the commission shall retain the right to revoke any such agent's authority at any time and for any reason whatsoever. Individual issues of commercial paper revenue bonds, issued as part of a continuing financing program, may be refunded by the approvals of such agents of the commission;

(e) At the time of issuance of variable rate revenue bonds, to pay the costs of industrial development projects *or building projects*, the commission may designate individuals or institutions which in the sole judgment of the commission have financial market expertise to serve as agent for the commission for establishing and changing from time to time while such variable rate revenue bonds remain outstanding the rate of interest to be borne by and the price to be paid for such revenue bonds; provided, however, that the rate-setting procedures and authority of each such agent shall be set forth in writing, and may include a formula or an index or indices based upon market factors, and shall be established by the commission at the time of issuance of such revenue bonds; and provided further that at the time of the issuance of such revenue bonds,

the commission shall establish the maximum interest rate to be borne by the revenue bonds; and provided further that the commission shall retain the right to remove or replace any such agent at any time and for any reason whatsoever;

(f) Any revenue bonds issued and outstanding hereunder to pay the costs of industrial development projects *or building projects* and the interest due on such revenue bonds shall, prior to the maturity or redemption date thereof, be deemed to have been paid to the same extent as if they had actually been paid in cash and retired, if:

1. In the event any of such revenue bonds are to be redeemed on any date prior to their maturity, the commission shall have given a trustee appointed for the holders of such revenue bonds in connection with their issuance, in form satisfactory to such trustee and in conformity with the requirements of the resolution authorizing their issuance irrevocable instructions to give notice of redemption of such revenue bonds to the holders thereof by written notice which is satisfactory to such trustee;

2. There shall have been deposited with the trustee either money in an amount which shall be sufficient, or direct obligations of or obligations guaranteed by the United States of America, or other obligations specified by the commission, the principal of and the interest on which, when due, will provide money which, together with the money, if any, deposited with the trustee at the same time, shall be sufficient, to pay when due the principal and the interest due and to become due on such revenue bonds on and prior to redemption date or maturity date thereof, as the case may be; and

3. In the event that such revenue bonds are not to be redeemed within the next succeeding sixty (60) days, the commission shall have given the trustee in form satisfactory to it irrevocable instructions to give, as soon as practicable, in a manner satisfactory to it, a notice to the holders of such revenue bonds that the deposit required by subparagraph 2. of this paragraph has been made with the trustee, that such revenue bonds are deemed to have been paid in accordance with the provisions hereof and stating such maturity or redemption date upon which money is to be available for the payment of the principal of and interest on such revenue bonds;

(g) It is hereby declared and determined that the issuance of any and all refunding bonds as provided herein will be for a public purpose if the commission so declares in the proceedings authorizing same; and

(h) If any officer whose signature or countersignature appears on revenue bonds issued to pay the costs of industrial development projects *or building projects* ceases to be such officer before delivery of the bonds, his signature or countersignature shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until delivery. Any such revenue bonds issued to pay the costs of industrial development projects *or building projects* shall be sold upon such terms as the commission deems best, either at public or private sale, and for such price, as the commission may determine. In the event the revenue bonds are sold at private, negotiated sale, the commission shall publish in accordance with the requirements of KRS Chapter 424 a notice of the intent of the commission to negotiate the sale of such revenue bonds within thirty (30) days of such proposed sale, which notice shall include the identification and description of such revenue bonds, an estimate of the week during which the negotiated sale is expected to occur and the identity of the state officer or agency and the fiscal advisor or managing underwriter from whom further information regarding the revenue bonds may be obtained. Revenue bonds, notes or other obligations issued by the commission under this chapter, the income thereon, and the transfer thereof, including any profit made on the sale thereof, shall at all times be exempt from taxation or assessment of any type by the Commonwealth, its agencies and departments, and by all political subdivisions within the state. Nothing contained in this section shall preclude or prevent the authorization and issuance by the commission from time to time of revenue bonds, notes or other obligations, the receipt of interest on which may be subject to federal income taxation.

(4) The payment of revenue bonds issued to pay the cost of an industrial development project *or building project*, together with the interest thereon, may be secured by a pledge of and a first lien on all of the receipts and revenue derived, or to be derived, from the rental, financing or operation of the industrial development projects *or building projects* involved including rentals and financing payments made by the *finance and administration* [commerce] cabinet from appropriated funds on a biennial basis, pursuant to lease agreements or financing agreements between the *finance and administration* [commerce] cabinet and the commission. Neither the payment of any revenue bond, nor the interest thereon, issued under the authority of this section shall constitute an indebtedness of the Commonwealth of Kentucky, nor shall any revenue bond or interest thereon be payable out of any fund except funds derived from rentals, financing payments or other revenues derived from the operation of the industrial development projects *or building projects* or from revenues as are available for the purpose by law.

(5) In the event revenue bonds are sold at public, competitive sale, such revenue bonds issued by the commission under the provisions of this section shall be sold after newspaper advertising conforming to the requirements of KRS Chapter 424.

(6) In the event revenue bonds are sold at public, competitive sale, competitive bids for the sale of such revenue bonds shall be opened and read publicly by the secretary of the finance and administration cabinet or his representative at a designated place, day and hour, all of which shall be announced in the advertising made relative thereto.

(7) All money from the sale of revenue bonds issued pursuant to this section shall be deposited in the state treasury and shall be credited to a special account to be designated as directed by the *finance and administration* cabinet, and no part thereof shall be withdrawn from the state treasury except for the purposes authorized by this chapter, together with the cost incidental to the issuing and selling of the revenue bonds and other expenses directly related thereto. The commission may provide in any trust indenture securing revenue bonds for additional terms and conditions thereof, or for other restrictions not in conflict with this chapter.

Section 3. KRS 56.520 is amended to read as follows:

(1) The commission may issue and sell revenue or other authorized bonds, in carrying out the provisions of this chapter, in denominations and amounts, as is deemed to be for the best interest of the Commonwealth, for any of the following purposes:

(a) To acquire real estate for state governmental use;

(b) To pay all or any part of the expense or cost of or incidental to a building project for state governmental use;

(c) To defray the cost of plans, specifications, blueprints, architectural fees and other expenses authorized to be incurred for state governmental use.

(2) ~~[Any revenue bonds issued shall bear interest at a rate established in accordance with law, payable semiannually, and shall become due and payable not more than forty (40) years from the date of issuance.]~~ The payment of [the] bonds *issued*, together with the interest thereon, may be secured by a pledge and a first lien on all of the receipts and revenue derived, or to be derived, from the rental or operation of the property involved. Neither the payment of any bond, nor the interest thereon issued under the authority of KRS Chapter 56, shall constitute an indebtedness of the Commonwealth of Kentucky, nor shall any bond or interest thereon be payable out of any fund except funds derived from rentals or other revenues derived from the operation of the properties or from revenues as are available for the purpose by law.

(3) ~~[All bonds issued by the commission under the provisions of KRS Chapter 56, shall be sold after newspaper advertising conforming to the requirements of KRS Chapter 424.]~~

~~(4)~~ All competitive bids for the sale of revenue bonds shall be opened and read publicly by the secretary of the finance and administration cabinet or his representative at a designated place, day and hour, all of which shall be announced in the advertising made relative thereto.

~~(4)(b)~~ In the event the commission issues and sells bonds for a building project as authorized by KRS Chapter 56, insurance, including fire and windstorm, casualty, catastrophe, use and occupancy and such other insurance as the commission may deem advisable, shall be carried in connection with the building project, and it may so obligate and bind itself in a trust indenture securing the payment of the bonds. Any insurance shall be paid for out of funds available for the project.

(5) *As provided in KRS 42.500(10), the commission may invest proceeds from the sale of its revenue or other authorized bonds as follows:*

(a) *Obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States;*

(b) *Obligations of the federal financing bank, the federal farm credit bank, the bank for cooperatives, the federal intermediate credit bank, the federal land banks, the federal home banks, the federal home loan mortgage corporation, the federal national mortgage association, the government national mortgage association, the federal housing administration, the farmer's home administration, the United States Postal Services;*

(c) *Obligations for the Commonwealth of Kentucky;*

(d) *Bonds and notes of any state or local government or public authority;*

(e) *Savings certificates issued by any federal savings and loan association if any principal amount of the certificate in excess of the amount insured by the federal government or any agency thereof, are fully collateralized;*

(f) *Prime quality commercial paper bearing the highest rating of at least one (1) nationally recognized rating service and not bearing a rating below the highest by any nationally recognized rating service which rates the particular obligation;*

(g) *Bills of exchange or time drafts drawn on and accepted by a commercial bank and eligible for use as collateral by member banks in borrowing from a federal reserve bank, if the accepting bank or its holding company is either incorporated in the Commonwealth of Kentucky or has outstanding publicly held obligations bearing the highest rating of at least one (1) nationally recognized rating service and not bearing a rating below the highest by any nationally recognized rating service which rates the particular obligations;*

(h) *Participating share in a mutual fund for local government investment;*

(i) *A commingled investment pool established and administered under KRS 66.480;*

(j) *Evidences of ownership of or fractional undivided interests in future interest and principal payments on either direct obligations of the United States government or obligations the principal of and the interest on which are guaranteed by the United States, which obligations are held by a bank or trust company organized and existing under the laws of the United States or any state in the capacity of custodian;*

(k) *Repurchase agreements with respect to either direct obligations of the United States or obligations the principal of and the interest on which are guaranteed by the United States or entered into with a broker or dealer, as defined by the securities exchange act of 1934, which is a dealer recognized as a primary dealer by a federal reserve bank, or any commercial bank, trust company or national banking association, the deposits of which are insured by the federal deposit insurance corporation or any successor thereof if:*

1. *Such obligations that are subject to the repurchase agreement are delivered in physical or in book entry form to the local government or public authority, or any financial institution serving either as trustee for the local government or public authority or as fiscal agent for the local government or public authority or are supported by a safekeeping receipt issued by a depository satisfactory to the local government or public authority. The repurchase agreement shall provide that the value of the underlying obligations shall be maintained at a current market value, calculated at least daily, of not less than one hundred percent (100%) of the repurchase price. The financial institution serving either as trustee or as fiscal agent for the local government or public authority holding the obligations subject to the repurchase agreement or the depository issuing the safekeeping receipt shall not be the provider of the repurchase agreement;*

2. *A valid and perfected first security interest in the obligations which are the subject of the repurchase agreement has been granted to the local government or public authority or its assignee or book entry procedure, conforming to the extent practicable with federal regulations and satisfactory to the local government or public authority, have been established for the benefit of the local government or public authority or its assignee;*

3. *The securities are free and clear of any adverse third party claims; and*

4. *The repurchase agreement is in a form satisfactory to the local government or public authority; and*

(l) *Guaranteed investment contracts with a bank or insurance company, if the bank or insurance company bears one (1) of the two (2) highest ratings of at least one (1) nationally recognized rating service and does*

not bear a rating below one (1) of the two (2) highest ratings by any nationally recognized rating service [(6) All money from the sale of bonds shall be deposited in the state treasury and shall be credited to a special account to be designated as directed by the department, and no part thereof shall be withdrawn from the state treasury except for the purposes authorized by KRS Chapter 56, together with the cost incidental to the issuing and selling of the bonds and other expenses directly related thereto. The commission may provide in any trust indenture securing bonds for additional terms and conditions thereof, or for other restrictions not in conflict with KRS Chapter 56].

The Committee on Cities reported **SB 245** and **SB 376** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 245. AN ACT relating to pensions for firefighters in cities of the first class and declaring an emergency.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 95.290 is amended to read as follows:

(1) The city legislative body in cities of the first class may enact ordinances providing for a system of pensions for retired and disabled members of the police and fire divisions of the department of public safety and their dependents, may appropriate funds for the purpose of paying such pensions, may allot and pay to the policemen's pension fund or the *firefighters'* [~~fire fighter's~~] pension fund or either or both of them, all fines and forfeitures imposed upon members of the respective divisions, and may provide for, assess and collect contributions from the members for the benefit of the fund.

(2) There shall be a governing body of the policemen's pension fund, and a governing body of the *firefighters'* [~~fire fighter's~~] pension fund. The governing bodies of the respective funds shall hold title to all assets in their respective funds, and shall have exclusive authority relating to investment of the assets of the funds, including contracting with investment advisors or managers to perform investment services as deemed necessary and prudent by the board. A majority of the governing body of each fund shall be comprised of members of the respective pension systems, and no more than one (1) member of the city legislative body may be a member of the governing body of either the policemen's or the fire fighter's pension fund.

(3) Any *policemen's* pension fund or *any firefighters' pension fund* established under the provisions of this section shall be held or distributed for any of the following purposes *of the respective fund as applicable*:

- (a) Paying pensions;
- (b) Payments to the city for transfer to the county employees retirement system for alternate participation pursuant to KRS 78.530(3)(a) and 78.531(2);
- (c) Transfer of pension assets through investment contract or other financial instrument for the purpose of amortizing unfunded service liability; and
- (d) Payment from the city to the county employees retirement system for future pension contributions required pursuant to KRS 61.565.

Pursuant to the terms of this section, if policemen of the city of the first class elect entry into the county employees retirement system and thereby create excess funds over those required to provide for the purposes set forth in paragraphs (a), (b), and (c) of this subsection, these excess funds shall be distributed to the city for use by the city for any other purpose it may elect, including, but not limited to, the establishment of a reserve for payment under paragraph (d) of this subsection. The governing board of the fund may annually expend for the necessary expenses connected with the fund, including but not limited to expenses for medical, actuarial, accounting and legal services, the amount such governing board deems proper.

(c) *Payment from the city to the county employees retirement system for future pension contributions required pursuant to KRS 61.565. Pursuant to the terms of this section, if firefighters of the city of the first class elect entry into the county employees retirement system and thereby create excess funds over those required to provide for the purposes set forth in paragraphs (a), (b) and (c) of this subsection, these excess funds shall be distributed according to the terms of an agreement negotiated between the city and the union organization representing*

the firefighters. The city may use its share of the distributed excess funds for any purpose it may elect, including, but not limited to, the establishment of a reserve for payment under paragraph (e) of this subsection. The governing board of the fund may annually expend for the necessary expenses connected with the fund, including but not limited to expenses for medical, actuarial, accounting and legal services, the amount such governing board deems proper.

(4) Any ordinance establishing a pension fund under this section shall make equitable provision for the rights of persons having an interest in assets transferred to the fund from any fund heretofore established by statute.

(5) The legislative body in a city of the first class shall issue the appropriate order, pursuant to KRS 78.530(1), directing participation for policemen in the county employees retirement system. All new employees who would have been granted membership in the local policemen's pension system shall be members of the county employees retirement system. All active members of the local policemen's pension system at the time of transition to the county employees retirement system may choose membership in the county employees retirement system or may retain membership in the local system. The city shall elect the alternate participation plan, pursuant to KRS 78.530(3), for policemen who transfer to the county employees retirement system. Notwithstanding the provisions of KRS 78.530(3)(b), the city may, at its option, extend the payment period for the cost of alternate participation to a maximum of twenty (20) years with the interest at the rate actuarially assumed by the board. The city shall have the right to use assets in the local pension fund, other than assets necessary to pay benefits to the remaining active members of the local policemen's pension system and to retirees and their survivors as determined by actuarial evaluation, to assist in the payment of the annual installment cost of alternate participation. All policemen who become members of the county employees retirement system pursuant to this section shall be granted hazardous duty coverage, and the city may, at its option, purchase accumulated sick leave for each policeman upon retirement pursuant to KRS 78.616.

(6) *The legislative body in a city of the first class may issue the appropriate order, pursuant to KRS 78.530(1), directing participation for firefighters in the county employees retirement system. In the event that the legislative body in a city of the first class issues such an order, then all new employees who would have been granted membership in the local firefighters' pension system shall be members of the county employees retirement system. All active members of the local firefighters' pension system at the time of transition to the county employees retirement system may choose membership in the county employees retirement system or may retain membership in the local system. The city shall elect the alternate participation plan, pursuant to KRS 78.530(3), for firefighters who transfer to the county employees retirement system. Notwithstanding the provisions of KRS 78.530(3)(b), the city may, at its option, extend the payment period for the cost of alternate participation to a maximum of twenty (20) years with the interest at the rate actuarially assumed by the board. The city shall have the right to use assets in the local firefighters' pension fund, other than assets necessary to pay benefits to the remaining active members of the local firefighters' pension system and to retirees and their survivors as determined by actuarial evaluation, to assist in the payment of the annual installment cost of alternate participation. After certification by the county employees retirement system of eligibility for hazardous duty coverage, each firefighter who becomes a member of the county employees retirement system pursuant to this section shall be granted hazardous duty coverage.*

(7) Notwithstanding the provisions of KRS 61.565, which relate to the contributions required of participating employers, any city of the first class participating in the county employees retirement system hazardous duty pension plan which has in effect a collective bargaining agreement with a group of employees who participate in said plan, shall have the right to enter into agreement with its employees or with their respective collective bargaining representatives. This agreement may include, but is not limited to, specifications of what portion of the required employer contribution shall be borne by the participating employer and what portion shall be borne by the participating employee. This provision in no way modifies the employer's obligation to remit the contributions required by the county employees retirement system pursuant to KRS 61.565, whether such contributions are borne by the city or by its participating employees.

(8)(7) With regard to the employer participation or employer contributions pursuant to KRS 61.565 as it relates to future pension contribution requirements or as it relates to payback period or interest charge for service liability cost under alternate participation, if any statute or any resolution of the appropriate state board of trustees having authority over employer participation or employer contribution grants any terms or conditions to any city of the second through the sixth class, or to any county, or to any urban-county government, which are more favorable in terms of participation than terms or conditions granted to any city of the first class, then said provisions for employer participation or contribution shall be available to the city of the first class, at its option and effective upon adoption by the city of the first class and notification to the county employees retirement system.

Section 2. Whereas, the pension plans covered by this Act are managed on the basis of a fiscal year which begins on July 1, an emergency is declared to exist, and this Act shall become effective on July 1, 1988.

SB 376. AN ACT relating to condemnation of property for park or cemetery purposes.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 97.540 is amended to read as follows:

Whenever, in the opinion of the legislative body of any city of the third *or fourth* class, land or other property located either within or without the boundaries of the city and within the county in which the city is located is needed for cemetery or park purposes and the legislative body is not able to contract with the owner of the property for its purchase, the legislative body may, by resolution reciting such need, order the condemnation of such property. The proceedings shall be conducted in the manner provided in the Eminent Domain Act of Kentucky.

The Committee on Business Organizations and Professions reported **SB 306**, **SB 324**, and **SB 333** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 306. AN ACT relating to horse racing.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 230.620 is amended to read as follows:

(1) The Kentucky harness racing commission shall be an agency independent of state administrative departments and shall be in the public protection and regulation cabinet.

(2) The commission shall consist of *twelve (12)* [~~nine (9)~~] persons appointed by the governor. At least one (1) of these members shall have no financial interest in the business or industry regulated. Effective July 15, 1986, two (2) members shall be appointed for one (1) year terms, two (2) members for two (2) year terms, two (2) members for three (3) year terms and three (3) members for four (4) year terms. Thereafter, all members shall serve a term of four (4) years or until their successors are appointed and duly qualified.

(3) The governor shall appoint three (3) members [~~as advisory members of the Kentucky harness racing commission, with non-voting rights,~~] to represent the interests of the quarter horse, Appaloosa and Arabian industries. The initial members shall serve a term of three (3) years from the effective date of their appointments. *Members serving as advisory members of the commission prior to the effective date of this section shall be considered initial members* [~~Thereafter, their successors shall serve terms of four (4) years~~].

(4) The commission shall biennially make a full report to the general assembly of its proceedings for the two (2) year period ending December 1 preceding the meeting of the general assembly, and shall embody in the report such suggestions and recommendations as it deems desirable.

(5) The commission may appoint one (1) or more deputy commissioners and assistant deputy commissioners who shall perform such duties as prescribed by the commission.

(6) The voting members of the commission shall receive fifty dollars (\$50) per day for each commission meeting they attend. Non-voting members shall receive no compensation but shall be reimbursed for actual expenses incurred in the performance of their duties.

SECTION 2. A NEW SECTION OF KRS CHAPTER 230 IS CREATED TO READ AS FOLLOWS:

(1) *The Kentucky harness racing commission shall be an agency independent of state administrative departments and shall be in the public protection and regulation cabinet.*

(2) *The commission shall consist of thirteen (13) persons appointed by the governor. At least one (1) of these members shall have no financial interest in the business or industry regulated. Two (2) members shall be appointed for one (1) year terms, two (2) members for two (2) year terms, two (2) members for three (3) year terms and three (3) members for four (4) year terms. Thereafter, all members shall serve a term of four (4) years or until their successors are appointed and duly qualified.*

(3) *The governor shall appoint four (4) members to represent the interests of the quarter horse, Appaloosa and Arabian industries. Members serving as advisory members of the commission prior to the effective date of this section shall be considered initial members. One (1) member representing the quarter horse, Appaloosa and Arabian industries, shall be appointed for a one (1) year term, one (1) member for a two (2) year term, one (1) member for a three (3) year term, and one (1) member for a four (4) year term. Thereafter, their successors shall serve terms of four (4) years.*

(4) *The commission shall biennially make a full report to the general assembly of its proceedings for the two (2) year period ending December 1 preceding the meeting of the general assembly, and shall embody in the report such suggestions and recommendations as it deems desirable.*

(5) *The commission may appoint one (1) or more deputy commissioners and assistant deputy commissioners who shall perform such duties as prescribed by the commission.*

(6) *The voting members of the commission shall receive fifty dollars (\$50) per day for each commission meeting they attend and be reimbursed for actual expenses incurred in the performance of their duties.*

Section 3. KRS 230.620 Kentucky harness racing commission — Advisory members — Organization — Biennial report — Compensation and reimbursement is repealed.

Section 4. Sections 2 and 3 of this Act shall be effective July 15, 1989.

SB 324. AN ACT relating to the Kentucky Board of Nursing.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 314.121 is amended to read as follows:

(1) The governor shall appoint a board of nursing consisting of *twelve (12)* [~~eleven (11)~~] members. *Seven* (7) [~~Six (6)~~] members shall be registered nurses licensed to practice in the Commonwealth. Three (3) shall be practical nurses licensed to practice in the Commonwealth. One (1) member shall be a nurse service administrator who is a registered nurse licensed to practice in the Commonwealth. One (1) member shall be a citizen at large, who is not associated with or financially interested in the practice or business regulated. Each appointment shall be for a term of four (4) years expiring on June 30 of the fourth year. Each year two (2) registered nurse terms and one (1) licensed practical nurse term shall expire on June 30, except that every fourth year one (1) registered nurse term and one (1) consumer term shall expire on June 30. By March 1 the Kentucky Nurses Association shall submit to the governor a list of members qualified for appointment, as R.N. members, in number not less than twice the number of appointments to be made, from which list the governor shall make each appointment or appointments necessary by July 1. By March 1, the Kentucky State Association of Licensed Practical Nurses shall submit to the governor a list of names qualified for appointment as L.P.N. members, in number not less than twice the number of appointments to be made, from which list the governor shall make each appointment or appointments as necessary by July 1. By March 1 of the year in which the nurse service administrator's term shall expire, the Kentucky Society for Hospital Nursing Service Administrators, an affiliate of the Kentucky Hospital Association, shall submit to the governor two (2) names of qualified individuals for appointment as the nurse service administrator from which list the governor shall make an appointment as necessary by July 1. *By March 1, 1989 the Kentucky Association of Health Care Facilities shall submit to the governor two (2) names of qualified individuals for appointment as its R.N. representative to the board, from which list the governor shall make an appointment as necessary by July 1, 1989. This appointment may be made at any time after the effective date of this Act but not later than the date specified herein.*

(2) A vacancy on the board shall be filled by the governor as provided for under subsection (1) of this section.

(3) The governor may remove any member from the board for neglect of duty, incompetence, or unprofessional or dishonorable conduct.

(4) Each R.N. member of the board shall be a citizen of the United States, a resident of Kentucky, a graduate of an approved school of nursing and a registered nurse in this state. All shall have had at least five (5) years of experience in nursing, three (3) of which shall immediately precede such appointment. *Four* (4) ~~Three (3)~~ members shall be engaged in nursing practice; three (3) shall be engaged in nursing education; and one (1) shall be in nursing administration.

(5) Each L.P.N. member of the board shall be a citizen of the United States, a resident of Kentucky, a graduate of an approved school of practical nursing or its equivalent, licensed as a licensed practical nurse in this state, and have at least five (5) years of experience in nursing, three (3) of which shall immediately precede this appointment.

(6) The governor shall appoint an advisory council to the board consisting of seven (7) members to be selected one (1) each from lists submitted by Kentucky Medical Association, Kentucky Hospital Association, Kentucky Association of Health Care Facilities, Kentucky Nurses Association, Kentucky State Association of Licensed Practical Nurses, Kentucky Dental Association and Kentucky Pharmacists Association. The council shall function in an advisory capacity only as a constructive force in establishing and maintaining standards of nurse competency and licensure regulations in the interest of public protection, and, in this connection shall be provided with copies of any proposed regulations of the board at least thirty (30) days prior to their filing with the legislative research commission. The terms shall be for four (4) years. Two (2) shall be appointed each year except every fourth year when only one (1) shall be appointed.

SB 333. AN ACT relating to fire protection sprinkler systems.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 198B.565 is amended to read as follows:

(1) The design for any fire protection sprinkler system for buildings and structures ~~[requiring the services of an architect or engineer in accordance with KRS 323.033]~~ shall be prepared by a licensed professional engineer or if the licensed, professional engineer chooses not to prepare the design, a licensed fire protection sprinkler contractor whose certificate holder is a certified engineering technician, NICET Level III or Level IV may prepare the design ~~[in accordance with KRS Chapter 322. The design for any fire protection sprinkler system for buildings and structures not requiring the services of an architect or engineer pursuant to KRS 323.033 may be prepared by either a professional engineer or a licensed fire protection sprinkler contractor].~~

(2) When a fire protection sprinkler system is ~~[required to be]~~ designed by a professional engineer in accordance with subsection (1) of this section, the licensed fire protection sprinkler contractor shall submit to the professional engineer, for his approval, technical drawings and, when required, hydraulic calculations for the installation of the fire protection sprinkler system. Such technical drawings, after approved by the professional engineer, shall be submitted by the professional engineer to the department of housing, buildings and construction, the insurance authority having jurisdiction, if any, and other authority when required by Kentucky law.

(3) When a fire protection sprinkler system is designed by a licensed fire protection sprinkler contractor in accordance with subsection (1) of this section, the licensed fire protection sprinkler contractor shall submit such design and detailed plans to the department of housing, buildings and construction, the insurance authority having jurisdiction, if any, and other authority when required by Kentucky law.

Calendar

HB 798, SB 288, SB 304, SB 6, SB 134, SB 141, SB 147, SB 236, SB 242, SB 277, SB 197, SB 284, SB 285, SB 305, SB 314, SB 329, HB 549, HB 690, HB 922, SB 119, SB 210, SB 213, SB 215, SB 218, SB 222, SB 225, SB 240 and SB 268 taken from the Calendar and ordered read at length for the second time. Representative Stumbo moved that they be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Consent Calendar

SB 195 taken from the Consent Calendar and ordered read at length for the second time. Representative Stumbo moved that it be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Orders of the Day

HB 963, with Committee Substitute, Committee Amendment and Floor Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Morris moved the adoption of Committee Substitute to **HB 963**. Agreed.

Representative Blevins moved the adoption of Floor Amendment No. 2 to the Committee Substitute to **HB 963**. Agreed.

Representative Blevins moved the adoption of Floor Amendment No. 3 to the Committee Substitute to **HB 963**. Agreed.

Representative Gray moved the adoption of Floor Amendment No. 5 to the Committee Substitute to **HB 963**. Agreed.

On the roll call the vote was yeas 59-Adkins, Allen, Altman, Barrows, Blandford, Blevins, Bronger, J. Brown, M. Brown, Burch, Callahan, Casebier, Castleman, L. Clark, P. Clark, Clarke, Curd, Cyrus, Deskins, Donnermeyer, Freibert, Gedling, Geveden, Gray, Gregory, J. Harper, Hoover, Jackson, Johnson, A. Jones, T. Jones, Kerr, Layman, Lile, Little, Lundergan, Mack, Maggard, Mason, McElroy, Meyer, Napier, Nett, Noe, Noland, O'Brien, Overstreet, Priddy, Pritchett, Reinhardt, Ridley, Riner, Scorsone, Siler, R. Smith, Strong, Stumbo, Walker, Will. Nays 28-Ackerson, Ark, Arnold, Ballard, Bruce, Cline, Crupper, Farrow, Ford, Guenthner, Hancock, Handy, K. Harper, Hourigan, R. Jones, Keith, Lear, Long, Lyne, McBee, Moberly, Morris, Northup, Rapier, Seum, Todd, Turner, Worthington.

Floor Amendment No. 5 to the Committee Substitute to **HB 963** was adopted.

Representative Morris moved that **HB 963**, by way of Committee Substitute as amended, be passed.

On the roll call the vote was: Yeas 41, Nays 35. (See March 23, 1988 roll call on **HB 963** - Appendix A.)

HB 963, by way of Committee Substitute as amended, was passed.

Representative Stumbo moved the adoption of the Committee Title Amendment to **HB 963**. Agreed; and the title was agreed to.

Representative Morris moved that the vote by which **HB 963**, by way of Committee Substitute as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HJR 122, with Committee Substitute and Committee Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Blevins moved the adoption of Committee Substitute to **HJR 122**. Agreed.

Representative Blevins moved that **HJR 122**, by way of Committee Substitute, be passed.

On the roll call the vote was: Yeas 92, Nays 0. (See March 23, 1988 roll call on **HJR 122** - Appendix A.)

HJR 122, by way of Committee Substitute, was passed.

Representative Stumbo moved the adoption of the Committee Title Amendment to **HJR 122**. Agreed; and the title was agreed to.

Representative Blevins moved that the vote by which **HJR 122**, by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

Report on Enrolled Bills

The Committee on Enrollment reported **HB 7, HB 18, HB 25, HB 48, HB 324, HB 488, HB 492, HB 497, HB 504, HB 551, HB 552, HB 592, HB 653, HB 728, HB 870, HB 932, HCR 62, HB 345, HCR 69** and **HB 37** had been examined and found correctly enrolled. Said Bills and Resolutions read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate. (Time - 2:31 p.m.)

HB 7, HB 18, HB 25, HB 48, HB 324, HB 488, HB 492, HB 497, HB 504, HB 551, HB 552, HB 592, HB 653, HB 728, HB 870, HB 932, HCR 62, HB 345, HCR 69 and **HB 37** delivered to the Senate, signed by the President. Ordered delivered to the Governor.

Orders of the Day (continued)

HB 631, with Committee Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Long moved the adoption of Committee Amendment No. 1 to **HB 631**. Agreed.

Representative Long moved that **HB 631**, as amended, be passed.

On the roll call the vote was: Yeas 92, Nays 0. (See March 23, 1988 roll call on **HB 631** - Appendix A.)

HB 631, as amended, was passed and the title agreed to.

Representative Long moved that the vote by which **HB 631**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 924 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Hatcher moved that **HB 924** be passed.

On the roll call the vote was: Yeas 80, Nays 4. (See March 23, 1988 roll call on **HB 924** - Appendix A.)

HB 924 was passed and the title agreed to.

Representative Hatcher moved that the vote by which **HB 924** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 991, with Floor Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Hancock moved the adoption of Floor Amendment No. 1 to **HB 991**. Agreed.

Representative Hancock moved that **HB 991**, as amended, be passed.

On the roll call the vote was: Yeas 90, Nays 0. (See March 23, 1988 roll call on **HB 991** - Appendix A.)

HB 991, as amended, was passed and the title agreed to.

Representative Hancock moved that the vote by which **HB 991**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 802 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Blevins moved that **HB 802** be passed.

On the roll call the vote was: Yeas 91, Nays 0. (See March 23, 1988 roll call on **HB 802** - Appendix A.)

HB 802 was passed and the title agreed to.

Representative Blevins moved that the vote by which **HB 802** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 478 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Little moved that **HB 478** be passed.

On the roll call the vote was: Yeas 83, Nays 12. (See March 23, 1988 roll call on **HB 478** - Appendix A.)

HB 478 was passed and the title agreed to.

Representative Little moved that the vote by which **HB 478** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 936 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Deskins moved that **HB 936** be passed.

On the roll call the vote was: Yeas 75, Nays 19. (See March 23, 1988 roll call on **HB 936** - Appendix A.)

HB 936 was passed and the title agreed to.

Representative Deskins moved that the vote by which **HB 936** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 55, with Committee Amendments and Floor Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Northup moved the adoption of Floor Amendment No. 1 to **SB 55**.

Representative Mack inquired whether Floor Amendment No. 1 to **SB 55** was germane to the Bill.

The Speaker ruled that Floor Amendment No. 1 to **SB 55** was germane to the Bill.

Representative Overstreet inquired if pursuant to Rule 61 of the Rules of the House an amendment identified as a piggyback can be adopted by voice vote.

The Speaker ruled that a piggyback amendment requires the affirmative vote of a majority of the members of the House; and further that Floor Amendment No. 1 is not identified as a piggyback amendment.

On the roll call the vote was yeas 69-Ackerson, Allen, Ark, Arnold, Ballard, Blandford, Blevins, Bronger, J. Brown, M. Brown, Burch, Callahan, Casebier, Castleman, L. Clark, P. Clark, Clarke, Curd, Donnermeyer, Freibert, Gedling, Geveden, Gregory, Guenthner, Hancock, Handy, J. Harper, K. Harper, Heleringer, Hourigan, Johnson, A. Jones, R. Jones, Kerr, Layman, Lear, Lefevvers, LeMaster, Lile, Long, Lundergan, Lyne, Maggard, McBee, McElroy, Meyer, Morris, Nett, Noland, Northup, O'Brien, Preston, Priddy, Pritchett, Rapier, Reinhardt, Ridley, Riner, Robinson, Seum, R. Smith, Strong, Stumbo, Todd, Turner, Walker, White, Will, Worthington. Nays 21-Adkins, Altman, Crupper, Cyrus, Deskins, Farrow, Gray, T. Jones, Keith, Little, Mack, Mason, Moberly, Napier, Noe, Richards, B. Richardson, P. Richardson, Scorsone, Siler, B. Smith.

Floor Amendment No. 1 to **SB 55** was adopted.

Representative Arnold moved the adoption of Floor Amendment No. 2 to **SB 55**.

Representative A. Jones moved that **SB 55** be laid on the table.

On the roll call the vote was yeas 27-Altman, Barrows, J. Brown, Casebier, Castleman, Cline, Curd, Farrow, Geveden, Hatcher, Jackson, A. Jones, T. Jones, Keith, Mack, Maggard, Mason, McElroy, Moberly, Napier, Noe, Preston, P. Richardson, Robinson, Siler, Strong, White. Nays 59-Ackerson, Adams, Adkins, Allen, Ark, Arnold, Ballard, Blandford, Blevins, Bronger, M. Brown, Bruce, Burch, Callahan, L. Clark, P. Clark, Clarke, Crupper, Cyrus, Donnermeyer, Freibert, Gedling, Gray, Guenthner, Hancock, Handy, J. Harper, K. Harper, Heleringer, Hoover, Hourigan, Johnson, Kerr, Layman, Lear, Lile, Long, Lundergan, McBee, Meyer, Morris, Nett, Northup, O'Brien, Overstreet, Priddy, Pritchett, Rapier, Reinhardt, Ridley, Riner, Scorsone, B. Smith, R. Smith, Stumbo, Turner, Walker, Will, Worthington.

The motion that **SB 55** be laid on the table was rejected.

Representative Mack inquired whether Floor Amendment No. 2 to **SB 55** was germane to the Bill.

The Speaker ruled that Floor Amendment No. 2 to **SB 55** was germane to the Bill.

On the roll call the vote was yeas 35-Arnold, Blandford, Blevins, M. Brown, Callahan, L. Clark, P. Clark, Clarke, Crupper, Deskins, Donnermeyer, Farrow, Freibert, Gedling, Gray, Hancock, Heleringer, Hoover, Hourigan, Kerr, Lundergan, Lyne, Moberly, Napier, O'Brien, Overstreet, Priddy, Rapier, Reinhardt, Richards, B. Richardson, Stumbo, Todd, Will, Worthington. Nays 52-Ackerson, Adams, Adkins, Allen, Altman, Ark, Barrows, Bronger, J. Brown, Bruce, Burch, Casebier, Castleman, Cline, Curd, Cyrus, Ford, Geveden, Guenthner, J. Harper, K. Harper, Hatcher, Jackson, Johnson, A. Jones, T. Jones, Keith, Layman, Lear, Lefevvers, LeMaster, Lile, Little, Long, Mack, Maggard, Mason, McElroy, Meyer, Nett, Noe, Noland, P. Richardson, Ridley, Riner, Robinson, Scorsone, Siler, Strong, Turner, Walker, White.

Floor Amendment No. 2 to **SB 55** was rejected.

Representative Rapier moved that **SB 55**, as amended, be passed.

A.) On the roll call the vote was: Yeas 80, Nays 12. (See March 23, 1988 roll call on **SB 55** - Appendix

SB 55, as amended, was passed.

Representative Rapier moved the adoption of the Committee Title Amendment to **SB 55**. Agreed; and the title was agreed to.

Representative Rapier moved that the vote by which **SB 55**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 989 with Committee Amendment and Floor Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Hancock moved the adoption of Floor Amendment No. 2 to **HB 989**. Agreed.

Representative Hancock moved that **HB 989**, as amended, be passed.

On the roll call the vote was: Yeas 91, Nays 0. (See March 23, 1988 roll call on **HB 989** - Appendix A.)

HB 989, as amended, was passed and the title agreed to.

Representative Hancock moved that the vote by which **HB 989**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 11 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Morris moved that **SB 11** be passed.

On the roll call the vote was: Yeas 88, Nays 0. (See March 23, 1988 roll call on **SB 11** - Appendix A.)

SB 11 was passed and the title agreed to.

Representative Morris moved that the vote by which **SB 11** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 23 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Morris moved that **SB 23** be passed.

On the roll call the vote was: Yeas 93, Nays 1. (See March 23, 1988 roll call on **SB 23** - Appendix A.)

SB 23 was passed and the title agreed to.

Representative Morris moved that the vote by which **SB 23** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 24 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Morris moved that **SB 24** be passed.

On the roll call the vote was: Yeas 92, Nays 0. (See March 23, 1988 roll call on **SB 24** - Appendix A.)

SB 24 was passed and the title agreed to.

Representative Morris moved that the vote by which **SB 24** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 163 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative B. Richardson moved that **SB 163** be passed.

On the roll call the vote was: Yeas 93, Nays 0. (See March 23, 1988 roll call on **SB 163** - Appendix A.)

SB 163 was passed and the title agreed to.

Representative B. Richardson moved that the vote by which **SB 163** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 184 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Gray moved that **SB 184** be passed.

On the roll call the vote was: Yeas 93, Nays 0. (See March 23, 1988 roll call on **SB 184** - Appendix A.)

SB 184 was passed and the title agreed to.

Representative Gray moved that the vote by which **SB 184** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 48, with Floor Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Donnermeyer moved the adoption of Floor Amendment No. 1 to **SB 48**. Agreed.

Representative Seum moved that **SB 48**, as amended, be passed.

On the roll call the vote was: Yeas 92, Nays 0. (See March 23, 1988 roll call on **SB 48** - Appendix A.)

SB 48, as amended, was passed and the title agreed to.

Representative Seum moved that the vote by which **SB 48**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 65 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative T. Jones moved that **SB 65** be passed.

On the roll call the vote was: Yeas 89, Nays 1. (See March 23, 1988 roll call on **SB 65** - Appendix A.)

SB 65 was passed and the title agreed to.

Representative T. Jones moved that the vote by which **SB 65** was passed be reconsidered and said motion be placed on the table. Agreed.

HB 980, with Committee Amendment and Floor Amendment attached thereto, taken from the Orders

of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Noe moved the adoption of Committee Amendment No. 1 to **HB 980**. Agreed.

Representative Noe moved the adoption of Floor Amendment No. 1 to **HB 980**. Agreed.

Representative Noe moved that **HB 980**, as amended, be passed.

On the roll call the vote was: Yeas 74, Nays 11. (See March 23, 1988 roll call on **HB 980** - Appendix A.)

HB 980, as amended, was passed and the title agreed to.

Representative Noe moved that the vote by which **HB 980**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 271 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative A. Jones moved that **SB 271** be passed.

On the roll call the vote was: Yeas 91, Nays 0. (See March 23, 1988 roll call on **SB 271** - Appendix A.)

SB 271 was passed and the title agreed to.

Representative A. Jones moved that the vote by which **SB 271** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 166 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Priddy moved that **SB 166** be passed.

On the roll call the vote was: Yeas 91, Nays 0. (See March 23, 1988 roll call on **SB 166** - Appendix A.)

SB 166 was passed and the title agreed to.

Representative Priddy moved that the vote by which **SB 166** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 142, with Floor Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Napier moved the adoption of Floor Amendment No. 1 to **SB 142**.

Representative Farrow inquired whether Floor Amendment No. 1 to **SB 142** was germane to the Bill.

The Speaker ruled that Floor Amendment No. 1 to **SB 142** was not germane to the Bill.

Representative Johnson moved that **SB 142** be passed.

On the roll call the vote was: Yeas 87, Nays 0. (See March 23, 1988 roll call on **SB 142** - Appendix A.)

SB 142 was passed and the title agreed to.

Representative Johnson moved that the vote by which **SB 142** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 148 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Johnson moved that **SB 148** be passed.

On the roll call the vote was: Yeas 86, Nays 1. (See March 23, 1988 roll call on **SB 148** - Appendix A.)

SB 148 was passed and the title agreed to.

Representative Johnson moved that the vote by which **SB 148** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 150, with Floor Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Johnson moved that **SB 150** be passed.

On the roll call the vote was: Yeas 84, Nays 1. (See March 23, 1988 roll call on **SB 150** - Appendix A.)

SB 150 was passed and the title agreed to.

Representative Johnson moved that the vote by which **SB 150** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 249, with Committee Amendment and Floor Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Gedling moved the adoption of Committee Amendment No. 1 to **SB 249**. Agreed.

Representative M. Brown moved the adoption of Floor Amendment No. 1 to **SB 249**.

Representative B. Richardson inquired whether Floor Amendment No. 1 to **SB 249** was germane to the Bill.

The Speaker ruled that Floor Amendment No. 1 to **SB 249** was germane to the Bill.

Representative M. Brown moved the adoption of Floor Amendment No. 1 to **SB 249**. Agreed.

Representative Gedling moved that **SB 249**, as amended, be passed.

On the roll call the vote was: Yeas 76, Nays 3. (See March 23, 1988 roll call on **SB 249** - Appendix A.)

SB 249, as amended, was passed.

Representative Gedling moved the adoption of the Floor Title Amendment to **SB 249**. Agreed; and the title was agreed to.

Representative Gedling moved that the vote by which **SB 249**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 121 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Long moved that **SB 121** be passed.

On the roll call the vote was: Yeas 49, Nays 39. (See March 23, 1988 roll call on **SB 121** - Appendix A.)

SB 121 was passed and the title agreed to.

Representative Long moved that the vote by which **SB 121** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 258 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Ballard moved that **SB 258** be passed.

On the roll call the vote was: Yeas 82, Nays 1. (See March 23, 1988 roll call on **SB 258** - Appendix A.)

SB 258 was passed and the title agreed to.

Representative Ballard moved that the vote by which **SB 258** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 178 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Stumbo moved that **SB 178** be passed.

On the roll call the vote was: Yeas 89, Nays 0. (See March 23, 1988 roll call on **SB 178** - Appendix A.)

SB 178 was passed and the title agreed to.

Representative Stumbo moved that the vote by which **SB 178** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 179 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Stumbo moved that **SB 179** be passed.

On the roll call the vote was: Yeas 86, Nays 0. (See March 23, 1988 roll call on **SB 179** - Appendix A.)

SB 179 was passed and the title agreed to.

Representative Stumbo moved that the vote by which **SB 179** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 301, with Committee Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative L. Clark moved the adoption of Committee Amendment No. 1 to **SB 301**. Agreed.

Representative L. Clark moved that **SB 301**, as amended, be passed.

On the roll call the vote was: Yeas 81, Nays 0. (See March 23, 1988 roll call on **SB 301** - Appendix A.)

SB 301, as amended, was passed and the title agreed to.

Representative L. Clark moved that the vote by which **SB 301**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 202, with Floor Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Freibert moved the adoption of Floor Amendment No. 1 to **SB 202**. Agreed.

Representative Freibert moved the adoption of Floor Amendment No. 2 to **SB 202**. Agreed.

Representative K. Harper moved the adoption of Floor Amendment No. 3 to **SB 202**. Agreed.

Representative Hancock moved that **SB 202**, as amended, be passed.

On the roll call the vote was: Yeas 86, Nays 0. (See March 23, 1988 roll call on **SB 202** - Appendix A.)

SB 202, as amended, was passed and the title agreed to.

Representative Hancock moved that the vote by which **SB 202**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SJR 44 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative P. Richardson moved that **SJR 44** be passed.

On the roll call the vote was: Yeas 86, Nays 0. (See March 23, 1988 roll call on **SJR 44** - Appendix A.)

SJR 44 was passed and the title agreed to.

Representative P. Richardson moved that the vote by which **SJR 44** was passed be reconsidered and said motion be placed on the table. Agreed.

SCR 68 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members

elected.

Representative Donnermeyer moved that **SCR 68** be passed.

On the roll call the vote was: Yeas 83, Nays 0. (See March 23, 1988 roll call on **SCR 68** - Appendix A.)

SCR 68 was passed and the title agreed to.

Representative Donnermeyer moved that the vote by which **SCR 68** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 68, with Committee Amendment and Floor Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Deskins moved that **SB 68** be passed.

On the roll call the vote was: Yeas 83, Nays 0. (See March 23, 1988 roll call on **SB 68** - Appendix A.)

SB 68 was passed and the title agreed to.

Representative Deskins moved that the vote by which **SB 68** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 96 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Richards moved that **SB 96** be passed.

On the roll call the vote was: Yeas 82, Nays 0. (See March 23, 1988 roll call on **SB 96** - Appendix A.)

SB 96 was passed and the title agreed to.

Representative Richards moved that the vote by which **SB 96** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 97 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Richards moved that **SB 97** be passed.

On the roll call the vote was: Yeas 83, Nays 0. (See March 23, 1988 roll call on **SB 97** - Appendix A.)

SB 97 was passed and the title agreed to.

Representative Richards moved that the vote by which **SB 97** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 154 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Lear moved that **SB 154** be passed.

On the roll call the vote was: Yeas 80, Nays 0. (See March 23, 1988 roll call on **SB 154** - Appendix A.)

SB 154 was passed and the title agreed to.

Representative Lear moved that the vote by which **SB 154** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 174 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Long moved that **SB 174** be passed.

On the roll call the vote was: Yeas 85, Nays 0. (See March 23, 1988 roll call on **SB 174** - Appendix A.)

SB 174 was passed and the title agreed to.

Representative Long moved that the vote by which **SB 174** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 237 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Stumbo moved that **SB 237** be passed.

On the roll call the vote was: Yeas 77, Nays 0. (See March 23, 1988 roll call on **SB 237** - Appendix A.)

SB 237 was passed and the title agreed to.

Representative Stumbo moved that the vote by which **SB 237** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 208 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Stumbo moved that **SB 208** be passed.

On the roll call the vote was: Yeas 83, Nays 0. (See March 23, 1988 roll call on **SB 208** - Appendix A.)

SB 208 was passed and the title agreed to.

Representative Stumbo moved that the vote by which **SB 208** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 209 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Stumbo moved that **SB 209** be passed.

On the roll call the vote was: Yeas 82, Nays 1. (See March 23, 1988 roll call on **SB 209** - Appendix

A.)

SB 209 was passed and the title agreed to.

Representative Stumbo moved that the vote by which **SB 209** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 211 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Stumbo moved that **SB 211** be passed.

On the roll call the vote was: Yeas 84, Nays 0. (See March 23, 1988 roll call on **SB 211** - Appendix A.)

SB 211 was passed and the title agreed to.

Representative Stumbo moved that the vote by which **SB 211** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 216 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Stumbo moved that **SB 216** be passed.

On the roll call the vote was: Yeas 80, Nays 0. (See March 23, 1988 roll call on **SB 216** - Appendix A.)

SB 216 was passed and the title agreed to.

Representative Stumbo moved that the vote by which **SB 216** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 193 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative M. Brown moved that **SB 193** be passed.

On the roll call the vote was: Yeas 82, Nays 0. (See March 23, 1988 roll call on **SB 193** - Appendix A.)

SB 193 was passed and the title agreed to.

Representative M. Brown moved that the vote by which **SB 193** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 118, with Committee Amendment and Floor Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative P. Clark moved the adoption of Committee Amendment No. 1 to **SB 118**. Agreed.

Representative P. Clark moved that **SB 118**, as amended, be passed.

On the roll call the vote was: Yeas 74, Nays 6. (See March 23, 1988 roll call on **SB 118** - Appendix A.)

SB 118, as amended, was passed and the title agreed to.

Representative P. Clark moved that the vote by which **SB 118**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 244, with Committee Amendment and Floor Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Donnermeyer moved that **SB 244** be passed.

On the roll call the vote was: Yeas 52, Nays 22. (See March 23, 1988 roll call on **SB 244** - Appendix A.)

SB 244 was passed and the title agreed to.

Representative Donnermeyer moved that the vote by which **SB 244** was passed be reconsidered and said motion be placed on the table. Agreed.

HCR 30, with Senate Amendment attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Floor Amendment No. 1 to **HCR 30** is as follows:

Amend printed copy of **HCR 30** on page 3, line 9, after the word "herein," by adding the following: "; and that the chairman shall be appointed by the Legislative Research Commission"

Representative Scorsone moved that the House concur in Senate Floor Amendment No. 1 to **HCR 30**. Agreed

Representative Scorsone moved that **HCR 30**, as amended by the Senate, be passed.

On the roll call the vote was: Yeas 79, Nays 6. (See March 23, 1988 roll call on **HCR 30** - Appendix A.)

HCR 30, as amended by the Senate, was passed and the title agreed to.

Representative Scorsone moved that the vote by which **HCR 30**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 270, with Floor Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Barrows moved the adoption of Floor Amendment No. 1 to **SB 270**. Agreed.

Representative Barrows moved that **SB 270**, as amended, be passed.

On the roll call the vote was: Yeas 81, Nays 0. (See March 23, 1988 roll call on **SB 270** - Appendix A.)

SB 270, as amended, was passed and the title agreed to.

Representative Barrows moved that the vote by which **SB 270**, as amended, was passed be reconsidered

and said motion be placed on the table. Agreed.

HB 633, with Senate Amendment attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Committee Amendment No. 1 to **HB 633** is as follows:

Amend printed copy of **HB 633** on page 3, line 12, after the word "notice" by adding the following: "and a hearing, if requested,".

Representative L. Clark moved that the House concur in Senate Committee Amendment No. 1 to **HB 633**. Agreed

Representative L. Clark moved that **HB 633**, as amended by the Senate, be passed.

On the roll call the vote was: Yeas 78, Nays 1. (See March 23, 1988 roll call on **HB 633** - Appendix A.)

HB 633, as amended by the Senate, was passed and the title agreed to.

Representative L. Clark moved that the vote by which **HB 633**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 654, with Senate Committee Substitute attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Committee Substitute to **HB 654** is as follows:

HB 654, AN ACT relating to boats.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 132 IS CREATED TO READ AS FOLLOWS:

(1) *The assessment of all motorboats as defined in KRS 235.010 shall be administered in the same manner and according to the same procedures provided for motor vehicles in KRS 132.487.*

(2) *The natural resources and environmental protection cabinet shall provide access to all records of motorboat registrations as necessary to prepare and maintain a complete tax roll of motorboats throughout each year.*

SECTION 2. A NEW SECTION OF KRS CHAPTER 134 IS CREATED TO READ AS FOLLOWS:

(1) *The collection of ad valorem taxes on motorboats shall be administered in the same manner and according to the same procedures provided for motor vehicles in KRS 134.800 to 134.820.*

SECTION 3. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO READ AS FOLLOWS:

(1) *The titling and registration of motorboats as defined in KRS 235.010 shall be administered through the automated motor vehicle and trailer registration and titling system developed and implemented under the provisions of KRS 186A.010.*

(2) *The transportation cabinet, the natural resources and environmental protection cabinet, the revenue cabinet, and all other agencies of state government affected by the system are hereby directed to cooperate in the orderly implementation of this system.*

Section 4. KRS 235.010 is amended to read as follows:

As used in this chapter unless the context clearly requires a different meaning:

(1) "Vessel" means every description of watercraft, other than a seaplane on the water, used or capable of being used as a means of transportation on water;

(2) "Motorboat" means any vessel propelled by machinery, whether or not such machinery is the principal source of propulsion, except for the following:

(a) Boats or vessels propelled totally by a direct current battery powered motor not to exceed one (1) horsepower, excluding those with generator systems; and

(b) Boats propelled by human power employing the use of hand or foot operation;

(3) "Owner" means a person, other than a lienholder, having the property in or title to a motorboat. The term includes a person entitled to the use or possession of a motorboat subject to an interest in another person, reserved or created by agreement and securing payment or performance of an obligation, but the term excludes a lessee under a lease not intended as security;

(4) "Waters of this state" means any waters within the territorial limits of this state;

(5) "Person" means an individual, partnership, firm, corporation, association, or other entity;

(6) "Operate" means to navigate or otherwise use a motorboat or a vessel;

(7) "Cabinet" means the natural resources and environmental protection cabinet;

(8) "Bureau" means the bureau of natural resources;

(9) "License" and "certificate of number" as used herein are synonymous;

(10) "Clerk" means *county* [~~circuit court~~] clerk;

(11) "Division of water patrol" means the division of water patrol, bureau of natural resources.

(12) "*Title*" means the certificate of title.

Section 5. KRS 235.050 is amended to read as follows:

(1) Except as otherwise provided in this chapter, before the owner or operator of each motorboat required to be registered and numbered by KRS 235.040 may operate it or permit its operation upon the waters of this state, the owner shall apply for *title and* registration to the *county* [~~circuit court~~] clerk of the county in which he resides, except, if the motorboat is to be operated principally in a county other than the county of the owner's residence the owner may apply for *title and* registration to the *county* [~~circuit court~~] clerk of the county in which the motorboat is to be principally operated. A motorboat last *titled and* registered in another state and purchased by a person for operation in this state shall be first *titled and* registered in this state by and in the name of the purchaser and not in the name of the seller. [~~The application shall be in quadruplicate with one (1) copy to be retained by the circuit court clerk, one (1) copy to be forwarded to the department, one (1) copy to be forwarded to the county property valuation administrator, and the original to constitute a current registration certificate.~~] The application for *title and registration* shall be accompanied by:

(a) A bill of sale, if the application is for registration of a new motorboat; or

(b) The owner's registration receipt if the motorboat was last registered in this state; or

(c) A bill of sale and the previous registration receipt if last registered in another state; and

(d) The annual registration fee.

(2) Motorboats shall be registered annually.

Section 6. KRS 235.060 is amended to read as follows:

All original, renewal and duplicate licenses for the operation of motorboats shall be issued by the *county* ~~[circuit court]~~ clerk in the county in which the motorboat is registered, except the department shall issue manufacturers' and dealers' registrations and registrations for federal and state agencies.

Section 7. KRS 235.070 is amended to read as follows:

(1) Every person seeking a *title and registration* ~~[license or certificate of number]~~ or renewal *registration* for operation of a motorboat shall apply in person to the *county* ~~[circuit court]~~ clerk of the county as provided in KRS 235.050 and make application on a form furnished by the cabinet *and, if previously registered in Kentucky, submit the owner's registration certificate.* The application shall contain the full name and signature, *social security number or federal tax identification number,* citizenship of applicant, date of birth, sex, present resident address, *situs for ad valorem tax assessment,* the make of the boat, hull identification number (HIN), if any, length, beam, model and horsepower of motor, maximum capacity, type of hull material, intended use of the boat, and whether the fuel is gasoline, diesel or other. The application shall state whether the motorboat is equipped with toilet facilities and shall describe the number and type of such facilities and shall state whether the storage container or treatment or disposal system for such facilities is a type approved by regulations promulgated pursuant to this chapter. It shall also state whether the applicant has been previously licensed or registered as an owner, and if so, when and by what state or county, whether any license registration or certificate number has been canceled, suspended, revoked, refused, and if so, the date of and reason for cancellation, suspension, revocation or refusal and such other information as may be required.

(2) Every applicant shall make oath as to the truthfulness of the statements contained in the form.

(3) The clerk shall, after determining that the applicant has complied with the law concerning applications, issue a current certificate of *registration* ~~[number]~~ or renewal thereof.

(4) No certificate of *registration* ~~[number]~~ or renewal thereof for the operation of a motorboat shall be issued, if the motorboat is equipped with toilet facilities but is not equipped with a storage container or treatment or disposal system of a type approved under regulations promulgated pursuant to this chapter.

Section 8. KRS 235.090 is amended to read as follows:

On Monday of each week, the *county* ~~[circuit court]~~ clerk shall make a written report to the department which shall include the name and address of those persons who have applied for *title and registration* of motorboats, the length and type of *the* ~~[such]~~ motorboat, and the *title and registration* fee charged and the amount of *title and registration* fee collected from the applicant. This report shall cover the period of the calendar week preceding the report. The applications for *title and registration* and the fees collected by the clerk shall be forwarded with the ~~[said]~~ report to the department.

Section 9. KRS 235.130 is amended to read as follows:

(1) No person acting for himself or another shall buy or trade for any motorboat without receiving the certificate of *title* ~~[number]~~ issued for that boat ~~[for the current period]~~ with a certificate of transfer indorsed thereon.

(2) It shall be the duty of the purchaser to *promptly submit* ~~[record]~~ the indorsed certificate of *title* to ~~[number with]~~ the *county* ~~[circuit court]~~ clerk of the county of the purchaser's residence or in which the motorboat is to be principally operated ~~[except as provided in KRS 235.060, and to pay a transfer fee of one dollar (\$1)].~~ *The purchaser shall apply for a new certificate of title and registration pursuant to KRS 230.050. The county clerk shall thereupon issue to the purchaser a transfer of registration bearing the same data and information except for the change in name and address. The clerk [thereupon] shall forward the indorsed certificate of title and new application for title and registration [number and the transfer fee] to the department. Except when registration is prohibited by law, any unexpired registration shall remain valid after transfer until expiration occurs according to law [The clerk shall charge the purchaser a fee of fifty*

cents (\$.50). The fees provided in this section shall be deposited in the manner provided for in KRS 30A.120].

(3) For transferring the title and registration, the clerk shall collect a fee of three dollars (\$3.00). The clerk shall retain two dollars (\$2.00) and the cabinet shall receive one dollar (\$1.00).

(4) If a transferee does not promptly submit the necessary documents to the county clerk as required by law in order to complete the transfer transaction, a transferor may submit to the county clerk, after the passage of fifteen (15) calendar days, in his county of residence, an affidavit that he has transferred his interest in a specific motorboat and the clerk may enter appropriate data into the AVIS system which would restrict any registration transaction from occurring on that vehicle until the transfer was processed.

(5) If the owner junks or otherwise renders a motorboat unfit for future use, he shall deliver the title to the county clerk of the county in which the motorboat is junked. The county clerk shall immediately return the title to the cabinet. The owner shall pay to the county clerk fifty cents (\$.50) for his services.

Section 10. KRS 235.150 is amended to read as follows:

[14] The cabinet or county [circuit] clerk shall insofar as is practicable assign to each motorboat the number previously assigned thereto upon each subsequent registration or transfer.

[2] The certificate of number for a vessel not registered for three (3) consecutive years shall become invalid and that number shall become terminated insofar as that vessel is concerned. Vessels may be sold or transferred with their expired registration certificate for the purpose of pertinent information thereon. However, the clerk shall issue a new certificate of number to each vessel and the owner shall be required to remove the invalid number from the bow of the vessel and display the new number issued in accordance with the manner prescribed in KRS 235.110.]

Section 11. KRS 235.180 is amended to read as follows:

The owner shall furnish the county [circuit court] clerk notice of the transfer of all or any part of his interest other than the creation of a security interest in a motorboat numbered in this state pursuant to the provisions of this chapter or of the destruction or abandonment of the [such] motorboat, within fifteen (15) days thereof. The [Such] transfer, destruction, or abandonment shall terminate the certificate of title and registration number for the [such] motorboat, except, that in the case of a part interest which does not affect the owner's right to operate the [such] motorboat, the [such] transfer shall not terminate the certificate of title and registration number.

Section 12. KRS 235.190 is amended to read as follows:

(1) Any holder of a certificate of registration [number] shall notify the county clerk [department] within fifteen (15) days if his address no longer conforms to the address appearing on the certificate and shall, as a part of the [such] notification, furnish the county clerk [department] with his new address. The division of water patrol may provide in its administrative [rules and] regulations for the surrender of the certificate bearing the former address and its replacement with a certificate bearing the new address or for the alteration of an outstanding certificate to show the new address of the holder.

(2) Any holder of a certificate shall give notice to the division of water patrol within fifteen (15) days of the theft or recovery of a vessel to which he is the holder of the certificate of number.

Section 13. KRS 235.220 is amended to read as follows:

(1) Every manufacturer of, or dealer in motorboats in this state shall register with the cabinet at Frankfort, Kentucky, and pay an annual registration fee of twenty-five dollars (\$25) to the department. Upon receipt of this fee, the department shall issue to the manufacturer or dealer a certificate of number and a plate bearing the number assigned, which plate shall be so designed that it can be transferred from boat to boat. Every manufacturer or dealer registered under this section shall be furnished additional dealer certificates of number and plates upon the payment of two dollars (\$2) for each additional certificate of number desired. A motorboat bearing dealer's plates and carrying a dealer's certificate of number may be used only by a member of the firm registered or by a bona fide salesman or employe of the firm for any purpose reasonably connected with the sale or demonstration for sale and delivery of the dealer's motorboat or by any manufacturer

or dealer licensed as provided above in transporting any motorboat over the waters of this state to his place of retail business for the manufacturer or wholesale dealer in motorboats and for no other purpose.

(2) Every motorboat dealer or manufacturer who acquires a used motorboat for cash, trade-in or in any other manner, shall within fifteen (15) days from date of acquisition have the registration assigned ~~[transferred]~~ to himself. *The dealer shall execute his application for assignment upon documents designated by the cabinet to the county clerk of the county in which he maintains his principal place of business and pay the transfer fee. The clerk shall enter the assignment upon the automated system [All original and subsequent transfers shall be in accordance with the procedures set forth in KRS 235.130 and any rules and regulations subsequent thereto].*

(3) *The dealer shall retain the properly assigned certificate of title received from his transferor, and may make any reassignments thereon until the forms for dealer assignment on the certificate of title are exhausted. The cabinet may, if it deems warranted, provide a special document to allow for additional dealer assignments without requiring system generated documents.*

(4) *If the dealer assigns the motorboat to a purchaser for use, he shall deliver the properly assigned certificate of title to the purchaser, who shall make application for registration and a certificate of title thereon, pursuant to KRS 235.050.*

(5) *The cabinet shall insure that the automated system is capable of accepting instructions from the county clerk that a certificate of title shall not be produced under a dealer registration situation.*

(6) The license of any dealer or manufacturer may be suspended or revoked by the cabinet for a violation of any section of this statute. Such persons shall be afforded a full opportunity to defend themselves against any ~~[such]~~ charges at a hearing set by this department.

SECTION 14. A NEW SECTION OF KRS CHAPTER 235 IS CREATED TO READ AS FOLLOWS:

The county clerk shall be entitled to the same fee for the performance of the duties required in the issuance of certificates of title and registration for motorboats as is applicable to the issuance of certificates of title and registration of motor vehicles as provided by KRS 186.040 and 186A.130.

SECTION 15. A NEW SECTION OF KRS CHAPTER 235 IS CREATED TO READ AS FOLLOWS:

The perfection and discharge of security interests and all other procedural aspects regarding motorboats shall be performed as required on other Kentucky titled property under KRS 186.045, 186A.190, 186A.193, 186A.195, 186A.200, 186A.205, and 186A.210.

SECTION 16. A NEW SECTION OF KRS CHAPTER 235 IS CREATED TO READ AS FOLLOWS:

All motorboat registrations required to be renewed annually may be placed in a system of registration renewal which would distribute the workload more evenly. This system to be selected by the cabinet in consultation with county clerks may be by the birth month of the owner of record or such other system that would take into account the seasonal nature of motorboats.

Section 17. KRS 43.071 is amended to read as follows:

(1) The auditor of public accounts shall annually audit each county clerk concerning:

(a) All receipts due from the collection of motor vehicle *and motorboat* registration fees, ~~[and]~~ motor vehicle *and motorboat* licenses and other receipts due the clerk pertaining to motor vehicles *and motorboats* as prescribed in KRS Chapters 186, ~~[and]~~ 186A and 235;

(b) All receipts due from the collection of motor vehicle usage tax as prescribed by KRS 138.460; and

(c) All receipts due from the collection of the ad valorem tax on motor vehicles *and motorboats* as prescribed by KRS 134.800.

These annual audits shall be completed by April 15 of the year following the year to be audited.

(2) The provisions of KRS 43.070 shall not apply to the separate and distinct duties imposed on the auditor of public accounts pursuant to subsection (1) of this section. The audits specified in subsection (1) of this section shall be conducted prior to the audits mandated by KRS 43.070.

(3) Immediately upon completion of each audit, the auditor of public accounts shall prepare a report of his findings noting any indebtedness to the Commonwealth. He shall furnish one (1) copy to the county clerk, one (1) copy to the secretary of the transportation cabinet and one (1) copy to the secretary of the revenue cabinet and one (1) copy to the secretary of the natural resources and environmental protection cabinet. If ~~[Should]~~ the county clerk *objects* ~~[object]~~ to any findings of indebtedness in the auditor's report, he shall file a written response with the auditor within ten (10) days of his receipt of the ~~[said]~~ report. The auditor shall consider the written response and within thirty (30) days of its receipt issue a final report. If ~~[Should]~~ the county clerk *wishes* ~~[wish]~~ to object to any findings of indebtedness contained in the final report, he shall file a request within ten (10) days of his receipt of the final report for a hearing before a three (3) member panel composed of the secretary of transportation or his designee, the secretary of the revenue cabinet or his designee and the president of the Kentucky county clerks association or his designee. The majority decision of this panel shall be determinative of any indebtedness to the Commonwealth. This panel shall convene within twenty (20) days after receiving a request for ~~[such]~~ hearing and shall render its decision, including written findings of fact, within fifteen (15) days of the termination of the hearing. If ~~[Should]~~ the county clerk *wishes* ~~[wish]~~ to appeal the decision of this panel, he shall file *the* ~~[such]~~ appeal within thirty (30) days of the issuance of the panel's decision in the circuit court for the county where he serves.

SECTION 18. A NEW SECTION OF KRS CHAPTER 235 IS CREATED TO READ AS FOLLOWS:

At least thirty (30) days prior to the expiration of registration of any motorboat previously registered in the Commonwealth as provided by KRS 235.070, the owner of the motorboat shall be notified by mail on the same notice required by KRS 194.805(6) of the date of expiration. In addition, the cabinet shall provide appropriate forms and information to permit renewal of motorboat registration to be completed by mail. Any registration renewal by mail shall require payment of an additional one dollar (\$1.00) fee which shall be received by the county clerk. Non-receipt of the notice herein shall not constitute a defense to any registration related offense.

Section 19. The effective date of this Act shall be January 1, 1990.

Representative Handy moved that the House concur in Senate Committee Substitute to **HB 654**. Agreed

Representative Handy moved that **HB 654**, as amended by the Senate, be passed.

On the roll call the vote was: Yeas 63, Nays 22. (See March 23, 1988 roll call on **HB 654** - Appendix A.)

HB 654, as amended by the Senate, was passed and the title agreed to.

Representative Handy moved that the vote by which **HB 654**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 19, with Senate Amendment attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Committee Amendment No. 1 to **HB 19** is as follows:

Amend printed copy of **HB 19** on page 1, after line 18, by inserting the following underlined language:

"(3) Twenty percent (20%) of the funds available for investment under the provisions of the Act shall be for investment in agribusiness or agriculturally related ventures;" and

On page 2, after line 26 by inserting the following underlined language:

"(7) "Agribusiness" means any person, partnership, corporation, or any entity engaged in an agricultural

endeavor or an agriculturally related business."

Representative Morris moved that the House concur in Senate Committee Amendment No. 1 to **HB 19**. Agreed

Representative Morris moved that **HB 19**, as amended by the Senate, be passed.

On the roll call the vote was: Yeas 87, Nays 0. (See March 23, 1988 roll call on **HB 19** - Appendix A.)

HB 19, as amended by the Senate, was passed and the title agreed to.

Representative Morris moved that the vote by which **HB 19**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

SCR 53 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Arnold moved that **SCR 53** be passed.

On the roll call the vote was: Yeas 67, Nays 19. (See March 23, 1988 roll call on **SCR 53** - Appendix A.)

SCR 53 was passed and the title agreed to.

Representative Arnold moved that the vote by which **SCR 53** was passed be reconsidered and said motion be placed on the table. Agreed.

Motions, Petitions and Communications

Representative Stumbo moved that the rules be suspended to waive the three day posting requirement on **SB 353** and to allow the Committee on Business Organizations and Professions to meet on Recess. Agreed.

Representative Stumbo moved that when the House adjourns today, it do so by voice vote. Agreed.

Representative Stumbo moved that when the House adjourns, it do so until 2:00 p.m., Thursday, March 24, 1988. Agreed.

Representative Stumbo moved that no further business be conducted on this day other than Report of Committees. Agreed.

Recess

Representative Stumbo moved that the House recess for thirty minutes. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Senate Message

Announcing the passage of **SB 337**, **SB 385**, **HB 20** with Senate Amendment and **HB 217**.

Recess

Representative Stumbo moved that the House recess for five minutes for a meeting of the Committee on Rules in the Speaker's office. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Representative Stumbo moved that the rules be suspended for Introduction of Resolutions, Report of Committees and Posting of Bills and Resolutions for Consideration. Agreed.

Introduction of Resolutions

HR 187, by Representative Cline: A RESOLUTION honoring West Carter High School's girls' basketball team, the Lady Comets.

Report of Committees

The Committee on Natural Resources and Environment reported **SB 293**, **SB 338**, **SB 343** and **SB 377** with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 293, AN ACT relating to conservation easements.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 382 IS CREATED TO READ AS FOLLOWS:

As used in this Act, unless the context otherwise requires:

(1) "Conservation easement" means a nonpossessory interest of a holder in real property imposing limitations or affirmative obligations the purposes of which include retaining or protecting natural, scenic, or open-space values of real property, assuring its availability for agricultural, forest, recreational, or open-space use, protecting natural resources, maintaining or enhancing air or water quality, or preserving the historical, architectural, archaeological, or cultural aspects of real property.

(2) "Holder" means:

(a) A governmental body empowered to hold an interest in real property under the laws of this state or the United States; or

(b) A charitable corporation, charitable association, or charitable trust, the purposes or powers of which include retaining or protecting the natural, scenic, or open-space values of real property, assuring the availability of real property for agricultural, forest, recreational, or open-space use, protecting natural resources, maintaining or enhancing air or water quality, or preserving the historical, architectural, archaeological, or cultural aspects of real property.

(3) "Third-party right of enforcement" means a right provided in a conservation easement to enforce any of its terms granted to a governmental body, charitable corporation, charitable association, or charitable trust, which, although eligible to be a holder, is not a holder.

SECTION 2. A NEW SECTION OF KRS CHAPTER 382 IS CREATED TO READ AS FOLLOWS:

(1) Except as otherwise provided in this Act, a conservation easement may be created, conveyed, recorded, assigned, released, modified, terminated, or otherwise altered or affected in the same manner as other easements.

(2) No right or duty in favor of or against a holder and no right in favor of a person having a third-party right of enforcement shall arise under a conservation easement before its acceptance by the holder and a recordation of the acceptance.

(3) Except as provided in subsection (2) of Section 3 of this Act, a conservation easement shall be unlimited in duration unless the instrument creating it otherwise provides.

(4) An interest in real property in existence at the time a conservation easement is created shall not be impaired by it unless the owner of the interest is a party to the conservation easement or consents to it.

SECTION 3. A NEW SECTION OF KRS CHAPTER 382 IS CREATED TO READ AS FOLLOWS:

(1) An action affecting a conservation easement may be brought by:

(a) An owner of an interest in the real property burdened by the easement;

(b) A holder of the easement;

(c) A person having a third-party right of enforcement; or

(d) A person authorized by other law.

(2) This Act shall not affect the power of a court to modify or terminate a conservation easement in accordance with the principles of law and equity.

SECTION 4. A NEW SECTION OF KRS CHAPTER 382 IS CREATED TO READ AS FOLLOWS:

A conservation easement shall be valid even though:

(1) It is not appurtenant to an interest in real property;

(2) It can be or has been assigned to another holder;

(3) It is not of a character that has been recognized traditionally at common law;

(4) It imposes a negative burden;

(5) It imposes affirmative obligations upon the owner of an interest in the burdened property or upon the holder;

(6) The benefit does not touch or concern real property; or

(7) There is no privity of estate or of contract.

SECTION 5. A NEW SECTION OF KRS CHAPTER 382 IS CREATED TO READ AS FOLLOWS:

(1) This Act shall apply to any interest created after its effective date which complies with this Act, whether designated as a conservation easement or as a covenant, equitable servitude, restriction, easement, or otherwise.

(2) This Act shall apply to any interest created before its effective date if it would have been enforceable had it been created after its effective date unless retroactive application contravenes the constitution or laws of this state or the United States.

(3) This Act shall not invalidate any interest, whether designated as a conservation or preservation easement or as a covenant, equitable servitude, restriction, easement, or otherwise, that is enforceable under other law of this state.

SECTION 6. A NEW SECTION OF KRS CHAPTER 382 IS CREATED TO READ AS FOLLOWS:

(1) A conservation easement shall not be transferred by owners of property in which there are outstanding subsurface rights without the prior written consent of the owners of the subsurface rights.

(2) A conservation easement shall not operate to limit, preclude, delete or require waivers for the conduct

of coal mining operations, including the transportation of coal, upon any part or all of adjacent or surrounding properties.

SECTION 7. A NEW SECTION OF KRS CHAPTER 382 IS CREATED TO READ AS FOLLOWS:

This Act shall be applied and construed to effectuate its general purpose to make uniform the laws with respect to the subject of the Act among states enacting it.

SB 338. AN ACT relating to surface coal mining.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 350.595 is amended to read as follows:

(1) An applicant who desires to remine property which is classified as abandoned mine land under KRS 350.560 may apply to the *bond pool commission established in KRS 350.705* ~~[secretary]~~ for inclusion under the abandoned mine land enhancement program. *The bond pool commission may provide coverage under the bond pool fund not to exceed fifty percent (50%) of the bond amount which the cabinet determines under KRS 350.060 is necessary for the abandoned mine land* ~~[As long as there is an amount undesignated in the abandoned mine land enhancement fund, as created by KRS 350.990, equal to fifty percent (50%) of the bond assessment on the property which is abandoned mine land, the secretary may designate that amount for the property and reduce the bond assessment on the property by an amount up to fifty percent (50%).]~~

(2) *When the bond required for the abandoned mine land under KRS 350.060 is increased or reduced, or is released in whole or in part, the coverage provided by the bond pool shall be proportionately increased or reduced.*

(3) In the event of bond forfeiture on the property, moneys from the *bond pool* ~~[abandoned mine land enhancement]~~ fund shall ~~[may]~~ be used to supplement the forfeited bond *as provided in KRS 350.745* ~~[toward completion of the reclamation effort].~~

Section 2. KRS 350.700 is amended to read as follows:

(1) There is established a special fund to be known as the "bond pool fund" which shall be administratively assigned to the cabinet and which shall be administered in accordance with the terms of KRS 350.700 to 350.755.

(2) The fund shall consist of all moneys collected pursuant to KRS 350.725 and 350.990(1), and all interest earned thereon.

(3) Moneys in the fund shall be held in an interest-bearing account, and shall be used as follows, and for no other purpose:

(a) To reclaim, in the event of forfeiture, permit areas covered by the bond pool fund;

(b) To compensate the cabinet for costs of administering the bond pool fund;

(c) To fund audits and actuarial studies required under the provisions of KRS 350.710; ~~[and]~~

(d) To cover all operating expenses and any necessary legal expenses of the bond pool commission; *and*

(e) *To cover the requirements of KRS 350.595.*

(4) Moneys contained in the bond pool fund shall be deemed a trust and agency account and shall not lapse.

(5) The bond pool fund shall be exempt from the requirements applicable to insurers under KRS Chapter

304.

Section 3. KRS 350.705 is amended to read as follows:

(1) There is hereby created a bond pool commission which shall consist of seven (7) members. One (1) member shall be the chairman of the small coal operators advisory council as established pursuant to KRS 350.260. The other six (6) members of the commission shall be appointed by the governor as follows:

(a) One (1) member of the commission shall be a member, other than chairman, of the small coal operators advisory council;

(b) One (1) of the members shall be an operator of surface coal mining operations producing one hundred thousand (100,000) or fewer tons of coal per year;

(c) One (1) of the members shall be an operator of surface coal mining operations producing two hundred thousand (200,000) or fewer tons of coal per year;

(d) One (1) member shall be an operator of surface coal mining operations producing more than two hundred thousand (200,000) tons of coal per year;

(e) One (1) member shall be a certified public accountant; and

(f) One (1) member shall be the secretary of the cabinet or his designee.

(2) (a) The chairman of the small coal operators advisory council shall serve on the commission for so long as he is chairman of the council. The governor shall initially appoint the other six (6) members as follows: two (2) members for a term of two (2) years; two (2) members for a term of three (3) years; and two (2) members for a term of four (4) years, beginning September 1, 1986. Subsequent appointments shall be made by the governor for terms of four (4) years. Members may serve successive terms if reappointed; and

(b) Any vacancy in an unexpired term shall be filled for the unexpired portion of the term by the governor.

(3) The commission shall adopt bylaws by which it shall elect a chairman and vice-chairman and establish procedures for conduct of meetings.

(4) The official domicile of the commission shall be Franklin County. All actions of the commission shall be considered to occur in Franklin County.

(5) The commission shall meet no less than once a month during the first year beginning September 1, 1986. Commencing with the second year, the commission shall meet no less than once every three (3) months. Four (4) members of the commission shall constitute a quorum at any meeting.

(6) Each commission member, except the cabinet representative, shall receive fifty dollars (\$50) per diem for each meeting attended. Except for the cabinet representative, members of the commission shall also be reimbursed for actual and necessary expenses directly related to meetings of the commission.

(7) If a member of the commission fails to attend four (4) consecutive meetings, the position shall be considered to be vacated, and the governor after receiving notice of the vacancy from the commission shall immediately appoint a qualified person to serve the remainder of the term.

(8) Any member of the commission having any direct or indirect financial interest or any other conflict of interest with respect to a permittee applying for membership in the bond pool, a bond pool member applying for a rating revision, or a bond pool member whose membership is being evaluated or revoked, shall not participate in any discussion or vote concerning membership or rating of that permittee or member.

(9) There shall be no liability on the part of, and no cause of action of any nature shall arise against, the commission, the bond pool administrator, or their agents or employees for any action taken in the performance of their powers and duties under KRS 350.595 and 350.700 to 350.755.

Section 4. KRS 350.710 is amended to read as follows:

The bond pool commission shall:

(1) Review, in accordance with the applicable regulations of the cabinet, all applications for membership in the bond pool and assign a rating to each applicant for membership. The commission shall deny membership to any applicant who fails to satisfy the eligibility criteria set forth in KRS 350.720;

(2) Review all applications by bond pool members and recommendations by the bond pool administrator for revision of an assigned rating. Such review shall include evaluation of the bond pool member's performance of reclamation requirements as set forth in this chapter and the regulations promulgated pursuant thereto and consideration of the member's payment of fees and penalties assessed pursuant to KRS 350.725;

(3) Notify bond pool members of suspension or reinstatement of the tonnage fee required by KRS 350.725(2);

(4) Revoke or reinstate memberships in the bond pool and notify any member of the bond pool whose membership is revoked or reinstated;

(5) Employ, in accordance with KRS 45.700, a certified public accountant to perform an audit of the bond pool fund for each of the first two (2) years after July 15, 1986. After the initial two (2) years, an audit shall be made no less than biennially. Audit results shall be reported to the bond pool commission and to the governor;

(6) Employ, in accordance with KRS 45.700, a qualified actuary to perform an actuarial study no less than every three (3) years;

(7) Authorize expenditures from the bond pool necessary to carry out the purposes of KRS 350.700 to 350.755, including the procurement of legal services for the commission; ~~and~~

(8) Report to the governor no later than December 31 of each year as to the financial status of the bond pool; *and*

(9) *Determine the amount of coverage provided for properties in the abandoned mine land enhancement program under KRS 350.595.*

Section 5. KRS 350.715 is amended to read as follows:

(1) The secretary of the cabinet shall appoint a cabinet employe to serve as bond pool administrator.

(2) The bond pool administrator shall:

(a) Collect and deposit into the bond pool fund all membership fees and tonnage fees submitted by bond pool members;

(b) Assess penalties against members for late payment of tonnage fees;

(c) Compile information about applicants and members for use by the commission in assigning or revising ratings;

(d) Monitor members' reporting and payment of tonnage fees and compliance with laws and regulations of the cabinet and, where appropriate, recommend to the commission that it downgrade a member's rating or revoke a person's membership;

(e) Pay moneys out of the bond pool fund as authorized by the bond pool commission;

(f) At each meeting, report to the commission concerning the status of the bond pool and activities of the bond pool administrator; ~~and~~

(g) Perform such other administrative functions as are necessary to carry out the purposes of KRS 350.700 to 350.755; and

(h) *Account for the amount of coverage provided for properties in the abandoned mine land enhancement program under KRS 350.595.*

Section 6. KRS 350.720 is amended to read as follows:

(1) There is hereby established an alternative bonding program to be known as the "bond pool." Any permittee of a surface coal mining operation located in Kentucky who meets the criteria set forth in this section and in regulations promulgated by the cabinet shall be eligible to participate in the bond pool. Participation in the pool shall be voluntary.

(2) Except as provided in KRS 350.700 to 350.755, membership in the bond pool and compliance with the requirements of KRS 350.700 to 350.755 shall satisfy the requirement to post bond in accordance with KRS 350.060(14).

(3) An application fee shall be charged, not to exceed one hundred dollars (\$100). The application fee may be applied to the membership fee set forth in KRS 350.725(1).

(4) Except as provided in subsection (5) of this section, every permit held by a member of the bond pool shall be included in the pool, except for portions of permits disturbed prior to the member's admission into the pool, to which the provisions of KRS 350.735(4) shall apply.

(5) No two (2) acre-or-less operation as defined in KRS 350.060(15) and no acreage on which is located a coal preparation plant, tipple, or loading facility shall be eligible for bond coverage by the bond pool fund.

(6) The bond pool fund shall not assume any part of a member's responsibility for damage due to subsidence which occurs in connection with underground mining or auger mining.

(7) An applicant shall be eligible for membership in the bond pool only if the bond pool commission determines that the applicant is in good financial standing and fulfills the criteria of one (1) of the following ratings:

(a) An "A" rating shall be assigned to an applicant who:

1. For a period of at least five (5) of the seven (7) years immediately preceding the application for membership in the pool, has held, under the same permittee name *or other permittee name as provided in paragraph (d) of this subsection*, a permit issued by the cabinet to conduct surface coal mining operations in Kentucky; and

2. Has exhibited an excellent compliance record as defined by the regulations of the cabinet;

(b) A "B" rating shall be assigned to any applicant who:

1. For a period of at least five (5) of the seven (7) years immediately preceding the application for membership in the pool, has held, under the same permittee name *or other permittee name as provided in paragraph (d) of this subsection*, a permit to conduct surface coal mining operations in Kentucky; and

2. Has exhibited an acceptable compliance record as defined by the regulations of the cabinet;

(c) A "C" rating shall be assigned to any applicant who:

1. For a period of at least three (3) of the five (5) years immediately preceding the application for membership in the pool, has held, under the same permittee name *or other permittee name as provided in paragraph (d) of this subsection*, a permit to conduct surface coal mining operations in Kentucky; and

2. Has exhibited an acceptable compliance record as defined by the regulations of the cabinet.

(d) When approved by the commission on a case-by-case basis, permits held by persons other than the applicant may be used to demonstrate the years of mining experience of the applicant as set forth in this paragraph:

- 1. A person who owns fifty percent (50%) or more of the applicant;*
- 2. A person who is owned fifty percent (50%) or more by a person under subparagraph 1. of this paragraph;*
or
- 3. Persons whose combined ownership of the applicant is fifty percent (50%) or more, provided that each person shall meet the years of mining experience required under this subsection.*

(8) Upon request of any member, not to exceed once per year, the commission may upgrade the member's rating. The commission may downgrade the rating of any member at any time upon the recommendation of the bond pool administrator. Any such revision shall be made in accordance with the criteria set forth in this section. When a member's rating is downgraded, the commission may increase the permit-specific bond already posted in accordance with KRS 350.735.

(9) The cabinet shall promulgate regulations establishing methods and criteria for determining if an applicant is in good financial standing. The cabinet shall also promulgate such regulations for determining if an applicant has an excellent or acceptable compliance record, which may include, but shall not be limited to:

- (a) Number and seriousness of violations for which the applicant has been cited;
- (b) Whether the applicant has abated cited violations in a timely fashion;
- (c) Whether the applicant has timely paid any penalties assessed against it;
- (d) Whether a surety which posted bond to cover a permit area of the applicant has had to perform reclamation to avoid bond forfeiture; and
- (e) Whether the applicant has received timely bond releases.

(10) For purposes of determining whether an applicant has an excellent or acceptable compliance record, the commission shall examine the compliance records of all persons who own or control, are owned or controlled by, or are under common ownership or control with the applicant. *Where persons other than the applicant are considered under subsection (7)(d) of this section, each such person's compliance record shall be considered.*

(11) An applicant's experience pursuant to a two (2) acre-or-less permit as defined in KRS 350.060(15) shall not be considered in the ratings assignment except as provided in subsection (12) of this section.

(12) No application for membership in the bond pool shall be approved by the commission if it is determined that the applicant, or any person who owns or controls, is owned or controlled by, or is under common ownership or control with the applicant, is not eligible for a permit under the provisions of KRS 350.085, 350.093, or 350.130.

(13) Memberships granted by the commission and ratings assigned by the commission shall not be transferrable from one (1) permittee to another.

(14) A person need not be a member of the bond pool in order to be provided coverage under the abandoned mine land enhancement program pursuant to KRS 350.595.

Section 7. KRS 350.725 is amended to read as follows:

(1) (a) Each applicant, prior to admission into the bond pool, shall pay a membership fee as follows:

1. One thousand dollars (\$1,000) for "A" rated members;

2. Two thousand dollars (\$2,000) for "B" rated members; and
3. Two thousand five hundred dollars (\$2,500) for "C" rated members.[:]

(b) ~~[Any permittee who files an application for membership within sixty (60) days of July 15, 1986 shall have the membership fee reduced by five hundred dollars (\$500); and~~

(e)] Any applicant accepted for membership in the bond pool fund shall, within thirty (30) calendar days following written approval of the application by the bond pool commission, submit to the bond pool administrator the appropriate membership fee by certified check payable to the state treasurer. If the applicant fails to submit the membership fee within such time, the membership approval shall be voided.

(2) ~~In addition to the membership fee assessed pursuant to subsection (1) of this section, each member shall pay to the fund a set fee for each ton of coal extracted by surface mining activities and a set fee for each ton of coal extracted by underground mining methods from the permit areas covered by the bond pool fund. The per ton fees shall be set by the commission based on the recommendations of the most recent actuarial study conducted in accordance with KRS 350.710(6) and shall be the same for each member regardless of rating [In addition to the membership fee assessed pursuant to subsection (1) of this section, each member, regardless of rating, shall pay to the fund eight cents (8) per ton of coal extracted by surface mining activities from the permit areas covered by the bond pool fund and one cent (1) per ton of coal extracted by underground mining methods from the permit areas covered by the bond pool fund]. Reporting and payment of the tonnage fee shall be made in accordance with regulations promulgated by the cabinet. Production records of members shall be made available to the commission upon request. The cabinet shall establish penalties for late payment, which shall be assessed by the bond pool administrator. If any payment is more than thirty (30) days late, the provisions of KRS 350.750 shall apply.~~

Section 8. KRS 350.735 is amended to read as follows:

(1) In addition to the membership fee and tonnage fee paid pursuant to KRS 350.725, bond pool members shall submit, for each permit to be covered by the bond pool, a permit-specific penal bond computed at the following rates for each acre or fraction thereof included in the proposed permit area:

- (a) Five hundred dollars (\$500) for "A" rated members;
- (b) One thousand five hundred dollars (\$1,500) for "B" rated members; and
- (c) Two thousand dollars (\$2,000) for "C" rated members.

(2) The permit-specific bond shall be increased by one thousand five hundred dollars (\$1,500) for each acre of prime farmland to be covered by the bond pool.

(3) The permit-specific bond posted pursuant to this section shall be released *in its entirety* in accordance with cabinet procedures for bond release upon successful completion of *that portion of reclamation set forth in [as required by] KRS 350.093(4)(a) and regulations promulgated pursuant thereto.*

(4) If, at the time of application to the bond pool, a permittee holds one (1) or more permits which have already been disturbed, such permits shall be transitioned into the bond pool in accordance with cabinet regulations. The area disturbed prior to admission to the bond pool shall not be covered by the pool, but shall be bonded in accordance with KRS 350.060(14). The undisturbed area shall be bonded in accordance with KRS 350.700 to 350.755. The cabinet may recognize exceptions when appropriate and necessary.

Section 9. KRS 350.745 is amended to read as follows:

(1) Bonds for permits covered by the bond pool shall be forfeited in accordance with KRS 350.130(1). The commission shall not be considered a party to any forfeiture action.

(2) Whenever the bond for a permit covered by the bond pool fund is forfeited by the cabinet, the cabinet shall first use any outstanding permit-specific performance bond posted pursuant to KRS 350.735. Any additional moneys necessary to reclaim the permit area to the standards of this chapter shall be withdrawn from the

bond pool fund to the extent that moneys exist in the fund; *except that the sum of the amount paid from the bond pool fund and the amount of the forfeited permit-specific bond, if any, shall not exceed the bond amount under KRS 350.060 required to be in effect at the time of forfeiture.*

(3) Within seven (7) days following receipt of an official estimate of reclamation costs prepared by the cabinet, the bond pool administrator shall pay to the cabinet the estimated reclamation cost less the amount of the forfeited permit-specific bond, if any, *subject to the limitations set forth in subsection (2) of this section.*

(4) *If the cabinet forfeits the bond for a permit in the abandoned mine land enhancement program, the cabinet shall first use other bonds posted under KRS 350.060. Any additional moneys necessary to reclaim the permit area shall be withdrawn from the bond pool fund to the extent coverage has been provided and to the extent moneys exist in the fund; except that the sum of the amount paid from the bond pool fund and the amount of the forfeited bond shall not exceed the bond amount under KRS 350.060 required to be in effect at the time of forfeiture. Within seven (7) days following receipt of an official estimate of reclamation costs prepared by the cabinet, the bond pool administrator shall pay to the cabinet the amount as determined under this subsection.*

Section 10. KRS 350.750 is amended to read as follows:

(1) Whenever a member of the bond pool becomes more than thirty (30) days in arrears with any tonnage fee payment, the bond pool administrator shall notify the member that he has thirty (30) days to become current on his payments. If the member fails to comply within the thirty (30) days, the bond pool administrator shall recommend to the commission that it revoke his membership. The commission shall revoke the membership unless the member has paid all tonnage fees due.

(2) *Whenever a member of the bond pool is issued a final order for cessation and immediate compliance for failure to abate a violation of contemporaneous reclamation requirements, the bond pool administrator shall so inform the commission, which may revoke said membership in the bond pool. Whenever two such final orders are issued to a member of the bond pool, that membership shall be automatically revoked without further action on the part of the commission. [Whenever a member of the bond pool is issued an order for cessation and immediate compliance for failure to abate a violation of contemporaneous reclamation requirements, or] Whenever the secretary has issued a final order finding that a [the] member of the bond pool has committed a pattern of violations pursuant to KRS 350.028(4) or 350.465(3)(f), the bond pool administrator shall so inform the commission, and the commission may revoke the member's membership in the bond pool [membership in the bond pool shall be automatically revoked without action on the part of the commission].*

(3) Whenever a member of the bond pool is issued an order for cessation and immediate compliance for failure to abate any violation ~~[other than a violation of contemporaneous reclamation requirements]~~, the bond pool administrator shall so inform the commission, and the commission may revoke the member's membership in the bond pool.

(4) Upon revocation of membership, the permittee shall be ordered by the cabinet to cease surface coal mining operations on all of his permits until he has obtained alternate bond coverage. In the meantime, the permittee shall comply with reclamation requirements established by cabinet regulations.

(5) The bond pool fund shall remain liable for reclamation of the portions of permits disturbed prior to revocation of a membership.

Section 11. KRS 350.990 is amended to read as follows:

(1) Any person or operator who violates any of the provisions of this chapter or regulations adopted pursuant thereto or who fails to perform the duties imposed by these provisions, except the refusal or failure to obtain a permit or other authorization as provided herein, or who violates any determination or order promulgated pursuant to the provisions of this chapter, may be liable to a civil penalty of not more than five thousand dollars (\$5,000) for said violation, and an additional civil penalty of not more than five thousand dollars (\$5,000) for each day during which such violation continues, and in addition, may be enjoined from continuing such violations as hereinafter provided in this section; provided, however, that any operator or person who fails to abate a violation noted in a notice of noncompliance or an order for immediate compliance and cessation within the time period prescribed for such abatement shall be assessed a civil penalty of not less than seven hundred fifty dollars (\$750) for each day during which such violation continues. A civil penalty of not more than five thousand dollars (\$5,000) for each day shall be assessed against any person issued an order pursuant to KRS 350.130(4). Each day of continuing violation may be deemed a separate violation for

purposes of penalty assessment. The cabinet shall develop a method for calculating monetary penalties and shall promulgate it as a regulation. The secretary or a designated representative, upon his or her own initiative or upon written request received within fifteen (15) days after the cabinet mails its proposed penalty assessment, may waive the use of such method for calculating monetary penalties if he or she determines that, taking into account exceptional factors present in the particular case, the penalty is demonstrably unjust. The basis for every waiver shall be fully explained and documented in the records of the case. If the secretary or his or her designated representative waives the use of the formula, he or she shall determine the appropriate penalty upon consideration of the permittee's history of previous violations at the particular surface coal mining operation, the seriousness of the violation, whether the permittee was negligent, and the demonstrated good faith of the permittee charged in attempting to achieve rapid compliance after notification of the violation. Such penalties shall be recoverable in an action brought in the name of the Commonwealth of Kentucky by the cabinet's office of general counsel, or upon the secretary's request, by the attorney general. The Franklin Circuit Court shall hold concurrent jurisdiction and venue of all civil and injunctive actions instituted by the cabinet or by the attorney general on its behalf for the enforcement of the provisions of this chapter or the orders, rules, and regulations of the cabinet promulgated pursuant thereto. All sums recovered shall be placed in the state treasury, except those moneys collected in excess of eight hundred thousand dollars (\$800,000) in any fiscal year shall be deposited in the bond pool fund for purposes set forth in KRS 350.595 and 350.700 to 350.755. All moneys previously deposited in the abandoned mine land enhancement fund shall be redeposited in the bond pool fund [a trust and agency account, entitled the abandoned mine land enhancement fund, for the purposes set forth in KRS 350.595. Five hundred thousand dollars (\$500,000) of the moneys existing in the fund on September 1, 1986, shall be allocated to the bond pool fund established pursuant to KRS 350.700. If the total amount in the bond pool fund is less than one million five hundred thousand dollars (\$1,500,000) on January 1, 1988, an additional two hundred fifty thousand dollars (\$250,000) of the abandoned mine land enhancement fund may be loaned interest free to the bond pool fund. Repayment of the loan shall be made when the bond pool fund accumulates five million dollars (\$5,000,000). The abandoned mine land enhancement fund shall be administered by the secretary in accordance with accounting practices as established by the finance and administration cabinet].

(2) Any person who engages in surface coal mining operations without first securing a permit, as provided in KRS 350.060, or any person who engages in coal exploration operations, exclusive of core drilling, without proper authorization, as required by the cabinet pursuant to KRS 350.057 or regulations promulgated pursuant thereto, or any person who engages in mining operations, without proper authorization as required by the cabinet pursuant to KRS 350.029 or regulations promulgated pursuant thereto, shall be liable to a civil penalty for damages to the Commonwealth of not less than five thousand dollars (\$5,000) nor more than twenty-five thousand dollars (\$25,000) and in addition, may be enjoined from continuing such violations as hereinafter provided. Each day shall constitute a separate violation. However, the penalties provided for in subsection (1) of this section shall apply in lieu of the penalties provided for in this subsection where an operator through inadvertence has exceeded the boundaries or expiration date of the permit in effect at that time.

(3) It shall be the duty of the cabinet's office of general counsel or, upon the secretary's request, of the attorney general to bring an action for the recovery of the penalties herein provided for and to bring an action for a restraining order, temporary or permanent injunction, against any operator or other person violating or threatening to violate any of the provisions of this chapter or violating or threatening to violate any order or determination promulgated pursuant to the provisions of this chapter. The Franklin Circuit Court shall hold concurrent jurisdiction and venue of all civil and injunctive actions instituted by the cabinet or by the attorney general on its behalf for the enforcement of the provisions of this chapter or the orders, rules, and regulations of the cabinet promulgated pursuant thereto.

(4) Any person who shall knowingly and willfully violate any of the provisions of this chapter, except as provided in subsection (5) of this section or any determination or order promulgated pursuant to the sections of this chapter which have become final shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not more than ten thousand dollars (\$10,000) or by imprisonment for not more than one (1) year, or both. Each day on which such violation occurs may constitute a separate offense.

(5) Any person who, in violation of KRS 350.060, willfully and knowingly engages in surface coal mining operations without first obtaining a permit from the cabinet or any person who willfully and knowingly engages in coal exploration operations, exclusive of core drilling, without proper authorization, as required by the cabinet pursuant to KRS 350.057 or regulations promulgated pursuant thereto, or any person who willfully and knowingly engages in mining operations without proper authorization as required by the cabinet pursuant to KRS 350.029 or regulations promulgated pursuant thereto, with the intent to violate such laws shall be guilty of a Class D felony and upon conviction thereof shall be imprisoned for at least one (1) but not more than five (5) years and may be fined an amount not to exceed ten thousand dollars (\$10,000). -

(6) Any person who violates any of the provisions of KRS 350.600 or regulations promulgated pursuant thereto shall be subject to civil penalties of not more than twenty-five thousand dollars (\$25,000). Each day of continuing violation shall be deemed a separate violation.

(7) Any person who knowingly makes any false statement, representation or certification, or knowingly fails to make any statement, representation, or certification in any application, record, report, plan, or other document filed or required to be maintained by the cabinet, shall upon conviction be guilty of a misdemeanor and shall be imprisoned for a term of up to one (1) year, or be fined not more than ten thousand dollars (\$10,000), or both.

(8) Except as permitted by law, any person who shall willfully resist, prevent, impede, or interfere with the secretary or other personnel of the cabinet in the performance of duties pursuant to this chapter shall, upon conviction, be fined not more than five thousand dollars (\$5,000) or imprisoned for not more than one (1) year, or both.

(9) Whenever a corporate permittee violates any provision of this chapter or regulation issued pursuant thereto or fails or refuses to comply with any final order issued by the secretary, any director, officer, or agent of such corporation who willfully and knowingly authorized, ordered, or carried out such violation, failure or refusal shall be subject to the same civil penalties, fines, and imprisonment as may be imposed upon a person pursuant to this section.

(10) Any person found in violation of KRS 350.060(11) shall be fined not more than five hundred dollars (\$500) for each violation, nor less than fifty dollars (\$50).

(11) Upon notice by the secretary that any surety has failed to comply with the provisions of KRS 350.032(3), the commissioner of the Kentucky department of insurance shall revoke the surety's certificate of authority to conduct insurance business within the Commonwealth of Kentucky.

(12) The cabinet, upon written request by any person or operator subject to any penalty assessment under this section and pursuant to procedures, if any, set forth by regulation and after consultation with the local county fiscal court, may allow as an alternative to the payment of any assessed penalty under this section the performance of in-kind reclamation, environmental rehabilitation, or similar action to correct environmental pollution. The in-kind work shall not substitute for those remedial measures mandated by the cabinet for the correction of any violations. The estimated cost of the in-kind work shall be greater than the penalty assessment. The cabinet division of abandoned lands shall have the authority to approve proposed in-kind projects and to recommend such projects to the cabinet, and shall determine whether the estimated cost of the in-kind work exceeds the penalty assessment. For the purposes of this subsection, the cost of the in-kind work shall include only those expenditures for actual on-site reclamation or rehabilitation work, including direct equipment, personnel and material cost, but excluding administrative overhead or transportation costs. Failure to perform the in-kind work as agreed upon by the person or operator subject to the penalty assessment shall reinstate the liability of the person or operator for the full amount of the assessed penalty. The cabinet is authorized to prepare and promulgate such regulations as are necessary to implement and administer the provisions of this subsection.

SB 343. AN ACT relating to surface and underground mining.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 351.175 is amended to read as follows:

(1) Within forty-five (45) days after January 1, 1953, and of each year thereafter, the owner, operator, or lessee of each mine shall procure from the department a license to operate such a mine, and such license shall not be transferable. Any owner, operator, or lessee who assumes control of a mine, opens a new mine or reopens an abandoned mine during any calendar year shall procure such license before mining operations are begun.

(2) The license shall be in such printed form as the commissioner may prescribe and when issued shall be kept posted at a conspicuous place near the main entrance of the mine.

(3) Requests for such license shall be made to the department and such requests shall be accompanied

by a U.S. postal money order or cashier's check drawn in favor of the state treasurer in a reasonable amount established by regulations promulgated by the commissioner of a minimum of one hundred dollars (\$100) and a maximum of one thousand dollars (\$1,000). When the annual report of the operator and the annual mine map, as required by KRS 351.170 and 352.450, together with a certification from the commissioner of the department of workers' claims that the applicant for license has presented positive proof of compliance with the provisions of KRS Chapter 342, are properly submitted to the department, the license shall be issued. The commissioner or his accredited agents shall have the authority to extend the time for filing of the map not to exceed an additional forty-five (45) days. Upon receipt of withdrawal of the certification of the commissioner of the department of workers' claims, or upon receipt of notice from the secretary of revenue that the licensee is a "delinquent taxpayer," as defined in KRS Chapter 131, the department shall forthwith revoke any license hereunder issued. Revocation of said license shall be an administrative function of the department. Appeal of said administrative function shall lie in the Fayette Circuit Court.

(4) The mine inspector shall have the authority to stop production at the mine of any operator who fails to procure a license or fails to furnish a certification of workers' compensation coverage as required under this section.

(5) The department shall be authorized to seek injunctive relief for any violation of this section.

(6) The application for a license shall be accompanied by a transportation plan ~~[which shall set forth the portions of the state primary road system, if any, over which the applicant proposes to transport minerals extracted in the mining operation. The transportation plan shall specify the legal weight limits for each portion of any such highway or bridge over which the applicant proposes to transport minerals].~~ The transportation plan shall include any proposal by the applicant to obtain a special permit pursuant to the provisions of KRS 189.271 to exceed the weight limits on any highway or bridge. ~~[The transportation plan shall contain a certification by a duly authorized official of the bureau of vehicle regulation attesting the accuracy of the transportation plan in regard to the locations and identities of highways and bridges on the state primary road system and the accuracy of the specifications of weight limits on such highways and bridges.]~~

(7) A license which has been revoked under the "delinquent taxpayer" provision shall not be re-issued until a written tax clearance has been received from the secretary of revenue.

(8) No mine underlying a cemetery shall be licensed by the commissioner unless two-thirds (2/3) of the governing body of that cemetery vote in approval of the operation. The application for a license shall contain an affidavit setting forth the approval of the cemetery's governing body. This subsection applies only to those cemeteries with governing bodies.

Section 2. KRS 350.060 is amended to read as follows:

(1) No person shall engage in surface coal mining and reclamation operations without having first obtained from the cabinet a permit designating the area of land affected by the operation. Permits shall authorize the operator to engage in surface coal mining and reclamation operations upon the area of land described in his application for a period of not to exceed five (5) years; provided that if an applicant demonstrates that a specified longer term is reasonably needed to obtain necessary financing for equipment and the opening of the operation and if the application is full and complete for such specified longer term, the cabinet may grant a permit for such longer term. No mining shall be permitted beyond the time period obligations of the initial or extended bond coverage.

(2) All operators who wish to engage in surface coal mining and reclamation operations and who have a valid permit from the cabinet and who are in expectation of operating such mines after the expiration of eight (8) months from the approval by the secretary of the interior of the permanent regulatory program shall within two (2) months of the effective date of such approval apply for a new permit for such mines in compliance with the requirements of this section. The natural resources and environmental protection cabinet shall establish procedures and programs consistent with this chapter to issue or deny such permits within eight (8) months of such approval. The general assembly finds the fact that, due to the large number of permitted operations within the Commonwealth, the eight (8) month period may be administratively impracticable, and hereby authorizes the secretary to devise procedures to comply with this section in the most expeditious and reasonable manner possible, and a filing shall be deemed timely for the purposes of this subsection and surface coal mining operations may continue under an existing permit if that filing is in substantially complete form and submitted within the time limits set forth herein.

(3) Any permit validly issued by the cabinet under the interim regulatory program in effect on March 21, 1980 and which would expire at any time after May 1, 1980 and before eight (8) months after approval of the permanent regulatory program by the United States secretary of the interior, shall be extended and remain in effect until eight (8) months after approval of the permanent regulatory program. Any interim permit so extended shall continue as a valid existing permit for purposes of this subsection if the permittee so requests and files an application for a permit with the cabinet within two (2) months of the date of approval of the permanent regulatory program. The permittee may conduct operations under that existing permit beyond the eight (8) month period if an application has been filed in accordance with this subsection, but the initial administrative decision has not been rendered.

(4) No permit or revision application shall be approved unless the application affirmatively demonstrates and the cabinet finds in writing on the basis of the information set forth in the application or from information otherwise available, that the permit application is accurate and complete and that all the requirements of this chapter have been complied with.

(5) An operator desiring a permit to engage in surface coal mining operations shall file an application which shall state:

(a) The location and area of land to be affected by the operation, with a description of access to the area from the nearest public highways;

(b) The owner or owners of the surface of the area of land to be affected by the permit and the owner or owners of all surface area adjacent to any part of the affected area;

(c) The owner or owners of the coal to be mined;

(d) The source of the applicant's legal right to mine the coal on the land affected by the permit;

(e) The permanent and temporary post-office addresses of the applicant;

(f) Whether the applicant or any person, partnership or corporation associated with the applicant holds or has held any other permits under this chapter, and an identification of such permits;

(g) Whether or not the applicant is in compliance with subsection (3) of KRS 350.130 and whether or not every officer, partner, director or any individual owning of record or beneficially (alone or with associates) ten percent (10%) or more of any class of voting stock of the applicant, is subject to any of the provisions of subsection (3) of KRS 350.130 and he shall so certify;

(h) A listing of any and all violations of this chapter, Public Law 95-87, and any law, rule or regulation in effect for the protection of air or water resources incurred by the applicant in connection with any surface coal mining and reclamation operation during the three (3) year period prior to the date of an application. Such a list shall indicate the final resolution of the violations; and

(i) Whether the area of land to be affected by the operation has been previously mined and is not in compliance with current reclamation standards, if so then identify the needed reclamation work.

(6) The application for a permit shall be accompanied by an official document (and an affidavit attesting to the document's authenticity) which will evidence what particular business entity the applicant is, whether a foreign or domestic corporation, a partnership, an entity doing business as another, or, if sole proprietorship, then an affidavit so stating.

(7) The application for a permit shall be accompanied by copies, in numbers satisfactory to the cabinet, of a United States geological survey topographic map or such other map acceptable to the cabinet on which the operator has indicated the location of the operation, the course which would be taken by drainage from the operation to the stream or streams to which such drainage would normally flow, the name of the applicant and date, and the name of the person who located the operation on the map.

(8) The application for a permit shall be accompanied by copies, in numbers satisfactory to the cabinet, of an enlarged United States geological survey topographic map or such other map acceptable to the cabinet

meeting the requirements of paragraphs (a) to (i) of this subsection. The map shall:

(a) Be prepared and certified by a professional engineer, registered under the provisions of KRS Chapter 322. The certification shall be in the form as provided in subsection (10) of this section, except that the engineer shall not be required to certify the true ownership of property under paragraph (d) of this subsection;

(b) Identify the area to correspond with the application;

(c) Show adjacent deep mining;

(d) Show the boundaries of surface properties and names of owners of the affected area and adjacent to any part of the affected area;

(e) Be of a scale of 1:24,000 or larger;

(f) Show the names, and locations of all streams, creeks, or other bodies of public water, roads, buildings, cemeteries, oil and gas wells, and utility lines on the area of land affected and within five hundred (500) feet of such area;

(g) Show by appropriate markings the boundaries of the area of land affected, the cropline of the seam or deposit of coal to be mined, and the total number of acres involved in the area of land affected;

(h) Show the date on which the map was prepared, the north point and the quadrangle name; and

(i) Show the drainage plan on and away from the area of land affected. Such plan shall indicate the directional flow of water, constructed drainways, natural waterways used for drainage, and the streams or tributaries receiving the discharge.

(9) Each application shall include a determination of the probable hydrologic consequences of the mining and reclamation operations, both on and off the mine site, with respect to the hydrologic regime, quantity and quality of water in surface and groundwater systems, including the dissolved and suspended solids under seasonal flow conditions and the collection of sufficient data for the mine site and surrounding areas so that an assessment can be made by the cabinet of the probable cumulative impacts of all anticipated mining in the area upon the hydrology of the area and particularly upon water availability; provided, however, that this determination shall not be required until such time as hydrologic information on the general area prior to mining is made available from an appropriate federal or state agency. Provided further, that the permit shall not be approved until such information is available and is incorporated into the application.

(10) All certifications required by this chapter to be made by professional engineers shall be done in the form prescribed by the cabinet and shall be reasonably specific as to the work being certified. The cabinet may reject any document or map as incomplete if it is not properly certified.

(11) [The application shall be accompanied by a transportation plan which shall set forth the portions of the state primary road system, if any, over which the applicant proposes to transport minerals extracted in the mining operation. The transportation plan shall specify the legal weight limits for each portion of any such highway or bridge over which the applicant proposes to transport minerals. The transportation plan shall include any proposal by the applicant to obtain a special permit pursuant to the provisions of KRS 189.271 to exceed the weight limits on any highway or bridge. The transportation plan shall contain a certification by a duly authorized official of the transportation cabinet attesting the accuracy of the transportation plan in regard to the locations and identities of highways and bridges on the state primary road system and the accuracy of the specifications of weight limits on such highways and bridges. All trucks hauling coal on a fully controlled limited access highway shall be covered by a tarp or equivalent cover to prevent spillage.

(12) In addition to the information and maps required above, each application for a permit shall be accompanied by detailed plans or proposals showing the method of operation, the manner, time and distance for backfilling, grading work and a reclamation plan for the affected area, which proposals shall meet the requirements of this chapter and rules and regulations adopted pursuant thereto.

(12)(13) The application for a permit shall be accompanied by proof that the applicant has public liability insurance coverage satisfactory to the cabinet for the surface mining and reclamation operations for which the permit is sought, or proof that the applicant has satisfied self-insurance requirements as provided by regulations of the cabinet. Such coverage shall be maintained in full force and effect during the terms of the permit and any renewal thereof, and until reclamation operations are completed.

(13)(14) A basic fee set by regulation, and bearing a reasonable relationship to the cost of processing the permit application but not to exceed three hundred seventy-five dollars (\$375) plus a fee set by regulation but not to exceed seventy-five dollars (\$75) for each acre or fraction thereof of the area of land to be affected by the operation, shall be paid before the permit required herein shall be issued; provided that if the cabinet approves an incremental bonding plan submitted by the applicant, the acreage fees may be paid in increments and at times corresponding to the approved plan. The operator shall file with the cabinet a bond payable to the Commonwealth of Kentucky with surety satisfactory to the cabinet in the penal sum to be determined by the cabinet for each acre or fraction thereof of the area of land affected, with a minimum bond of ten thousand dollars (\$10,000), conditioned upon the faithful performance of the requirements set forth in this chapter and of the rules and regulations of the cabinet. In determining the amount of the bond the cabinet shall take into consideration the character and nature of the overburden, the future suitable use of the land involved and the cost of backfilling, grading and reclamation to be required and the probable difficulty of reclamation, giving consideration to such factors as topography, geology, hydrology, and revegetation potential. The bond amount shall initially be computed to be sufficient to assure completion of reclamation if the work had to be performed by the cabinet in the event of forfeiture. The cabinet shall promulgate regulations setting forth bonding requirements including, but not limited to, requirements for the amount, duration, release, and forfeiture of such bonds. Where the circumstances are such as to warrant an exception, the cabinet, in its discretion, may reduce the amount of the bond for a two (2) acre operation to less than the required minimum.

(14)(15) Surface coal mining and reclamation operations which affect two (2) acres or less shall be exempt from the requirements of this chapter, except that the cabinet shall promulgate reasonable minimal regulations for permitting, bonding, controlling offsite water quality, revegetation, refuse piles, and use of explosives; and shall prohibit disposal of soil over the outslope in an uncontrolled manner. Such regulations shall recognize the distinct difference between two (2) acre operations and other surface coal mining operations and shall be less stringent than those imposed on other surface coal mining operations affecting more than two (2) acres, and in no event shall the cabinet require that the highwalls left by such operations be eliminated. In no event shall the bond be more than one thousand dollars (\$1,000) per acre. The cabinet shall promulgate a short form application which will require the basic business information and a brief description of the method of operation. These applications shall be processed within thirty (30) calendar days. All procedural provisions and the penalty provisions of KRS 350.990 shall, however, apply to operations conducted and permits granted pursuant to this subsection. The cabinet shall enforce this subsection consistent with this chapter except that the cabinet shall not issue orders requiring cessation of operations for mere failure to abate a violation.

(15)(16) The cabinet shall promulgate rules and regulations for the permitting of operations with surface effects of underground mining and other surface coal mining and reclamation operations consistent with this section. The cabinet shall recognize the distinct differences between the surface effects of underground mining and strip mining, as also provided in KRS 350.151, in promulgating permitting requirements for these operations; provided, that the cabinet shall require, for underground mines that are greater than two (2) acres under subsection (15) of this section, that all of the areas overlying underground workings be permitted but that the areas overlying underground workings not affected by operations and facilities occurring on the surface shall not be subject to the payment of acreage fees or bond requirements of subsection (14) of this section or of KRS 350.151; provided, however, that applications for operations of two (2) acres or less filed under subsection (15) of this section shall clearly identify the boundaries of the proposed deep mine operation.

(16)(17) Any valid permit issued pursuant to this chapter shall carry with it the right of successive renewal upon expiration with respect to areas within the boundaries of the existing permit. The holders of the permit may apply for renewal and such renewal shall be issued (provided that on application for renewal the burden shall be on the opponents of renewal), subsequent to the fulfillment of the public notice requirements of this chapter unless it is established and written findings by the cabinet are made that:

(a) The terms and conditions of the existing permit are not being satisfactorily met;

(b) The present surface coal mining and reclamation operation is not in compliance with the environmental protection standards of this chapter;

(c) The renewal requested substantially jeopardizes the operator's continuing responsibility on existing permit areas;

(d) The operator has not provided evidence that the performance bond in effect for said operation will continue in full force and effect for any renewal requested in such application as well as any additional bond the cabinet might require; or

(e) Any additional revised or updated information required by the cabinet has not been provided;

Prior to the approval of any renewal of permit the cabinet shall provide notice to the appropriate public authorities.

~~(17)~~~~(18)~~ If an application for renewal of a valid permit includes a proposal to extend the mining operation beyond the boundaries authorized in the existing permit, the portion of the application for renewal of a valid permit which addresses any new areas of surface disturbance shall be subject to the full standards applicable to new applications under this chapter.

~~(18)~~~~(19)~~ Any permit renewal shall be for a term not to exceed the period of the original permit. Application for permit renewal shall be made at least one hundred and twenty (120) days prior to the expiration of the valid permit.

~~(19)~~~~(20)~~ Notwithstanding any of the provisions of this section, a permit shall terminate if the permittee has not commenced the surface coal mining operations covered by such permit within three (3) years of the issuance of the permit. However, the cabinet may grant reasonable extensions of time upon a showing that such extensions are necessary by reason of litigation precluding commencement of operations, or threatening substantial economic loss to the permittee, or by reason of conditions beyond the control and without the fault or negligence of the permittee. With respect to coal to be mined for use in a synthetic fuel facility or specific major electric generating facility, the permittee shall be deemed to have commenced surface mining operations at such time as the construction of the synthetic fuel or generating facility is initiated.

~~(20)~~~~(21)~~ Each application for a permit or revision for auger mining on a previously mined area must contain information to describe the area to be affected, to show that the proposed method of operation will result in stable post-mining conditions, and reduce or eliminate adverse environmental conditions created by previous mining activities. If the cabinet determines that the affected area cannot be stabilized and reclaimed subsequent to augering or that the operation will result in an adverse impact to the proposed or adjacent area, the permit or revision shall not be issued. The cabinet shall, consistent with all applicable requirements of this chapter, issue a permit or revision if the applicant demonstrates that the proposed coal mining operations will provide for reduction or elimination of the highwall, or reduction or abatement of adverse impacts resulting from past mining activities, or stabilization or enhancement of a previously mined area. The cabinet shall insure that all reasonably available spoil material will be used to backfill the highwall to the extent practical and feasible; provided, however, that in all cases the holes be properly sealed and backfilled to a minimum of four (4) feet above the coal seam being mined.

~~(21)~~~~(22)~~ All operations involving the loading of coal which do not separate the coal from its impurities, and which are not located at or near the mine site, shall be exempt from the requirements of this chapter.

SECTION 3. A NEW SECTION OF KRS CHAPTER 177 IS CREATED TO READ AS FOLLOWS:

All trucks hauling coal on a fully controlled limited access highway shall be covered by a tarp or equivalent cover to prevent spillage.

Section 4. KRS 177.990 is amended to read as follows:

(1) Any person who violates any of the provisions of KRS 177.230 to 177.310 shall be guilty of a misdemeanor and upon arrest and conviction therefor, shall be punished by a fine of not less than five dollars (\$5.00) nor more than one hundred dollars (\$100) or by imprisonment in the city or county jail for not less than five (5) days nor more than ninety (90) days, or by both such fine and imprisonment.

(2) Any person who willfully violates any of the provisions of KRS 177.841 to 177.890 shall, in addition to any other penalty herein provided, be fined not less than one hundred dollars (\$100) nor more than five

hundred dollars (\$500).

(3) In addition to any other penalty provided by KRS 177.910 to 177.950, any person violating any order or provision of KRS 177.910 to 177.950 shall be guilty of a misdemeanor and upon conviction shall be punished by a fine of not less than one hundred dollars (\$100) and not more than one thousand dollars (\$1,000). Each day of violation of the provisions of KRS 177.910 to 177.950 shall constitute a separate offense.

(4) Any person who violates the weight provisions of KRS 177.9771 shall, upon conviction, be fined in an amount equal to three cents (3) per pound when the excess is three thousand (3,000) pounds or less, five cents (5) per pound when the excess exceeds three thousand (3,000) pounds but is less than four thousand (4,000) pounds, seven cents (7) per pound when the excess exceeds four thousand (4,000) pounds but is less than five thousand (5,000) pounds, and nine cents (9) per pound when the excess exceeds five thousand (5,000) pounds. In no case shall the fine be less than sixty dollars (\$60) nor more than five hundred dollars (\$500).

(5) Any person who transports coal in violation of the weight provisions of KRS 189.221 and 189.222 and does not have a current decal or is not transporting coal under a valid cooperative agreement within KRS 177.9771(4)(f), shall, in addition to any applicable penalty prescribed by law, be fined five hundred dollars (\$500) and be required to purchase the decal described in KRS 177.9771(4).

(6) Any person who violates the provisions of Section 3 of this Act shall be fined not less than twenty dollars (\$20) nor more than one hundred dollars (\$100) for each offense.

SB 377. AN ACT relating to coal mining regulations.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 350.020 is amended to read as follows:

The general assembly finds that the Commonwealth is the leading producer of coal and that the production of coal in Kentucky contributes significantly to the nation's energy needs. The general assembly further finds that unregulated surface coal mining operations cause soil erosion, damage from rolling stones and overburden, landslides, stream pollution, the accumulation of stagnant water and the seepage of contaminated water, increase the likelihood of floods, destroy the value of land for agricultural purposes, destroy aesthetic values, counteract efforts for the conservation of soil, water and other natural resources, destroy or impair the property rights of citizens, create fire hazards, and in general create hazards dangerous to life and property, so as to constitute an imminent and inordinate peril to the welfare of the Commonwealth. The general assembly further finds that lands that have been subjected to surface coal mining operations and have not been reclaimed and rehabilitated in accordance with modern standards constitute the aforementioned perils to the welfare of the Commonwealth. The general assembly further finds that there are wide variations in the circumstances and conditions surrounding and arising out of surface coal mining operations due primarily to difference in topographical and geological conditions, and by reason thereof it is necessary, in order to provide the most effective, beneficial and equitable solution to the problem, that a broad discretion be vested in the authority designated to administer and enforce the regulatory provisions enacted by the general assembly. The general assembly further finds that [primary] governmental responsibility for regulating surface coal mining operations rests with state government and hereby directs the natural resources and environmental protection cabinet to take all actions necessary to preserve and exercise the Commonwealth's [primary] authority, to the exclusion of all other governmental entities except the Commonwealth and agencies thereof, and except as provided for in KRS Chapter 100, in regulating surface coal mining operations. Therefore, it is the purpose of this chapter to provide such regulation and control of surface coal mining operations as to minimize or prevent injurious effects on the people and resources of the Commonwealth. To that end, the department is directed to rigidly enforce this chapter and to adopt whatever regulations are found necessary to accomplish the purpose of this chapter.

The Committee Amendment No. 1 to **SB 377** is as follows:

Amend printed copy of **SB 377** on page 2, line 18, after "Chapter 100" add: "and any county surface mining regulation contained within a zoning ordinance adopted prior to April 1, 1988".

The Committee on Transportation reported **SB 167**, **SB 239** with Committee Amendment attached thereto, and **SB 275** with Committee Amendment attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 167, AN ACT relating to the state police.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 16.050 is amended to read as follows:

(1) The commissioner shall appoint or promote to the ranks and grades and positions of the department such officers as are considered by him to be necessary for the efficient administration of the department. Notwithstanding the provisions of KRS 64.640, *the commissioner of the state police and the commissioner of the department of personnel shall biannually conduct a salary survey, by rank, of state police/highway patrol officers in those states adjoining Kentucky. The salaries of such officers of equal rank in those states surveyed shall be averaged, and such averages where the average for that rank exceeds the salary paid to Kentucky officers of that rank in the preceeding biennium, shall be included in the department's budget request submitted to the Kentucky general assembly* **[such officers shall receive the compensation fixed by the commissioner and approved by the governor; but the same shall reasonably conform to the standards established by the department of personnel].**

(2) All initial appointments of officers to the department shall be made for merit and fitness after a competitive examination.

(3) There is created a state police personnel board consisting of the commissioner and four (4) other members to be appointed by the governor, two (2) to be appointed from each of the two (2) major political parties.

(4) The initial appointment of members of the board shall be for terms of one (1), two (2), three (3) and four (4) years. Thereafter each appointment shall be for a term of four (4) years, except that a person appointed to fill a vacancy occurring prior to the expiration of a term shall be appointed for the remainder of that term.

(5) Members of the board may be removed by the governor only for cause, after being given a copy of charges against them and an opportunity to be heard publicly on such charges before the governor.

(6) The board shall elect one (1) of its members chairman. It shall meet at such time and place as shall be specified by call of the commissioner. Three (3) members shall constitute a quorum for the transaction of business. Members of the board other than the commissioner shall receive compensation of fifty dollars (\$50.00) and reimbursement of travel expenses for each meeting of the board which they attend.

(7) The board shall make rules and regulations to carry out the purposes herein, which shall include provisions for:

(a) Open competitive examination as to fitness of applicants for employment as officers;

(b) Establishment of eligible lists as a result of such competitive examinations, from which lists vacancies shall be filled.

(8) The board shall hear appeals from applications for employment for which examinations are being given or have been conducted and from eligibles on examination registers subject to the procedural rules which the board may adopt pursuant to the provisions of this section.

SB 239, AN ACT relating to motor carrier insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 281.655 is amended to read as follows:

(1) Before any certificate or permit will be issued or renewed, the applicant or holder of the certificate or permit must file or have on file with the department an approved indemnifying bond or insurance policy issued by some surety company or insurance carrier authorized to transact business within the Commonwealth of Kentucky. The term of the bond or policy shall be continuous and shall remain in full force until canceled

under proper notice. The bond or policy shall have attached thereto the state insurance indorsement. All bonds or policies required herein must be issued in the name of the holder of the certificate or permit. In lieu of the bond or policy, the department, under appropriate rules and regulations, may require the filing of an approved certificate of insurance, the term of which shall be continuous and shall remain in force and effect until canceled under proper notice.

(2) The bond or policy required of a U-Drive-It or automobile utility trailer lessor shall provide public liability and property damage coverage when operated either by the lessee or lessor thereof or agents, servants or employees of either.

(3) All bonds or policies shall provide blanket coverage for all equipment operated pursuant to the certificate or permit.

(4) Effective January 1, 1989 [~~1987~~], the types and minimum amounts of insurance to be carried on each vehicle are as follows:

MOTOR VEHICLES FOR THE TRANSPORTATION OF PERSONS,
INCLUDING U-DRIVE-ITS

[Capacity]	Death of or Injury	Total Liability	Property Damage
	to Any	for Death	
	One Person	of or Injury to Persons	
	\$100,000	\$300,000	\$50,000
[7 persons or less	\$10,000.00	\$20,000.00	\$5,000.00
8 to 16 inclusive	10,000.00	30,000.00	5,000.00
17 to 25 inclusive	10,000.00	40,000.00	5,000.00
26 or more	10,000.00	50,000.00	5,000.00]

MOTOR VEHICLES FOR THE TRANSPORTATION OF PROPERTY,
INCLUDING U-DRIVE-ITS AND AUTOMOBILE UTILITY TRAILERS

[Gross Weight]	Death of Or Injury	Total Liability	Property Damage
	to Any to Any One Person	for Death of or Injury to Persons	
[18,000 lbs. or less	\$ 10,000.00	\$ 20,000.00	\$ 5,000.00
More than 18,000 lbs.]	\$100,000.00	\$300,000.00	\$50,000.00

(5) Any person, firm or corporation causing to be operated [owner using] any vehicle for the transportation of petroleum or petroleum products in bulk in amounts less than ten thousand (10,000) pounds shall have the following types and minimum amount of insurance carried on each vehicle:

Death of or Injury	Total Liability for Death
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to Any One Person	of or Injury to Persons	Property Damage
\$100,000.00	\$300,000.00	\$50,000.00

(6) Any person, firm or corporation operating or causing to be operated ~~owner using~~ any vehicle for the transportation of hazardous material as defined in KRS 174.405, except petroleum or petroleum products in bulk in amounts less than ten thousand (10,000) pounds, shall have the following types and minimum amount of insurance carried on each vehicle:

Death of or Injury to Any One Person	Total Liability for Death of or Injury to Persons	Property Damage
\$1,000,000.00	\$1,000,000.00	\$1,000,000.00

(7) Before any Kentucky intrastate certificate, exclusively authorizing the transportation of property, except an irregular route common carrier certificate exclusively authorizing the transportation of Kentucky exempted commodities, shall be issued or renewed, the applicant or holder of the certificate must file or have on file with the department an approved insurance policy or bond compensating shippers or consignees for loss or damage to property belonging to shippers or consignees and coming into possession of the carrier in connection with its transportation service, (a) for loss of or damage to property carried on any one motor vehicle in the amount of *ten* ~~five~~ thousand dollars ~~(\$10,000)~~ ~~(\$5,000)~~; (b) for loss of or damage to or aggregate of losses or damages of or to property occurring at any one time and place in the amount of ten thousand dollars (\$10,000). Said policy or bond shall have attached thereto the Kentucky cargo policy indorsement and must be issued by some insurance or surety company authorized to transact business within the Commonwealth of Kentucky. The term of the bond or policy shall be continuous and shall remain in full force until canceled under proper notice. In lieu of the bond or policy, the department, under appropriate rules and regulations, may require the filing of an approved certificate of insurance, the term of which shall be continuous and shall remain in force and effect until canceled under proper notice.

(8) The department may by regulation require motor carriers for hire operating exclusively interstate commerce to file proof of cargo insurance coverage in such form and in such amounts as the commissioner deems advisable.

(9) No insurance company or insurance carrier issuing any policy filed with the department, and no surety or obligor on any bond or contract filed with the department, shall be relieved from liability under the policy, bond or contract until after the expiration of fifteen (15) days' notice to the department of an intention to cancel the policy, bond or contract, provided, however, that a prior cancellation may be allowed in cases where one policy, bond or contract is substituted for another policy, bond or contract where such substituted policy, bond or contract is of force and effect at a point in time prior to the expiration of fifteen (15) days' notice to the department of an intention to cancel the policy, bond or contract for which such additional policy, bond or contract is being substituted. The acceptance of any notice of an intention to cancel any policy, bond or contract or the cancellation of any policy, bond or contract by the department, unless under the circumstances hereinbefore set forth, shall not relieve the insurance company, insurance carrier, surety or obligor of any liability that accrued prior to the effective date of the cancellation.

(10) Upon the cancellation of any bond or insurance policy required by this section, all operating rights granted by the certificate or permit for which said bond or policy was filed, shall immediately cease, and the department is empowered to immediately require the cessation of all operations conducted under authority of said certificate or permit, and to require the surrender of all certificates, permits, licenses and other evidence of a right to act as a motor carrier.

(11) The department may exempt in whole or in part from the requirements of this section any person who applies for such exemption and shows to the satisfaction of the department that, by reason of the financial ability of the person applying, there is due assurance of the payment of all damages for which he may become liable as a result of the operation of any vehicle owned by him or operated under authority of his certificate

or permit.

Section 2. This Act shall become effective January 1, 1989.

The Committee Amendment No. 1 to **SB 239** is as follows:

Amend printed copy of **SB 239** on page 3, line 4, by removing the brackets and strike throughs from the words "Gross Weight".

On page 3, line 6, by removing the opening bracket from in front of the number "18,000" and inserting an opening bracket in front of the first "\$" and removing the appropriate strike throughs.

On page 3, line 6, after the word "less" by inserting the numbers "\$25,000 \$50,000 \$10,000" and on page 3, line 6, by placing a closing bracket at the end of line 6 and striking through the material between the brackets.

On page 3, line 7, by removing the closing bracket after the word "lbs.".

SB 275. AN ACT relating to child safety.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 189.125 is amended to read as follows:

(1) No person shall sell any new passenger vehicle in this state nor shall any person make application for registering a new passenger vehicle in this state unless the front or forward seat or seats have adequate anchors or attachments secured to the floor and/or sides to the rear of the seat or seats to which seat belts may be secured.

(2) Any resident parent or legal guardian of a child, forty inches (40") in height or less, when transporting his child in a motor vehicle owned by that parent or guardian operated on the roadways, streets and highways of this state, shall have such child properly secured in a child restraint system of a type meeting federal motor vehicle safety standards.

(3) As used in this section, "child restraint system" means any device manufactured to transport children in a motor vehicle which conforms to all applicable federal motor vehicle safety standards.

(4) The term "motor vehicle" as used in subsection (2) of section shall not apply to recreational vehicles or trucks having a tonnage rating of more than one (1) ton.

(5) Failure to wear a child passenger restraint shall not be considered as contributory negligence, nor shall such failure to wear said passenger restraint system be admissible as evidence in the trial of any civil action.

~~[(6) KRS 189.990 and 189.992 to the contrary notwithstanding, there shall be no penalty for the violation of this section. No peace officer shall issue a uniform citation or any other citation, other than a warning, for a violation of this section nor shall any arrest be permitted for violation of this section.]~~

Section 2. KRS 189.990 is amended to read as follows:

(1) Any person who violates any of the provisions of KRS 189.020 to 189.040, subsections (1), (2) and (5) of KRS 189.050, KRS 189.060 to 189.080, subsections (1) to (3) of KRS 189.090, KRS 189.100, 189.110, 189.130 to 189.160, subsections (2) to (4) of KRS 189.190, KRS 189.200, 189.290, 189.300 to 189.360, KRS 189.380, KRS 189.400 to 189.430, 189.450 to 189.480, subsection (1) of KRS 189.520, KRS 189.540, subsection (1) of KRS 189.560, KRS 189.570 to 189.630, except subsection (1) of KRS 189.580, KRS 189.345, subsection (4) of KRS 189.456 and 189.960, shall be fined not less than twenty dollars (\$20) nor more than one hundred dollars (\$100) for each offense. Any person who violates subsection (1) of KRS 189.580 shall be fined not less than twenty dollars (\$20) nor more than two thousand dollars (\$2,000) or imprisoned in the county jail

for not more than one (1) year, or both. Any person who violates paragraph (c) of subsection (4) of KRS 189.390 shall be fined not less than eleven dollars (\$11.00) nor more than thirty dollars (\$30). Neither court costs nor fees shall be taxed against any person convicted of violating paragraph (c) of subsection (4) of KRS 189.390.

(2) (a) Any person who violates the weight provisions of KRS 189.221, 189.222, 189.226, 189.230, 189.270 or 189.271 shall, upon conviction, be fined in an amount equal to two cents (2) per pound for each pound of excess load when the excess is two thousand (2,000) pounds or less, three cents (3) per pound when the excess exceeds two thousand (2,000) pounds and is three thousand (3,000) pounds or less, five cents (5) per pound when the excess exceeds three thousand (3,000) pounds and is four thousand (4,000) pounds or less, seven cents (7) per pound when the excess exceeds four thousand (4,000) pounds and is five thousand (5,000) pounds or less, and nine cents (9) per pound when the excess exceeds five thousand (5,000) pounds but in no case shall the fine be less than sixty dollars (\$60) nor more than five hundred dollars (\$500).

(b) Any person who violates any provision of subsections (3) and (4) of KRS 189.050, subsection (4) of KRS 189.090, KRS 189.221 to 189.230, 189.270, 189.280, or 189.490, for which another penalty is not specifically provided, shall be guilty of a misdemeanor and upon conviction thereof, shall be fined not less than ten dollars (\$10.00) nor more than five hundred dollars (\$500).

(c) Nothing in this subsection or in KRS 189.221 to 189.228 shall be deemed to prejudice or affect the authority of the department of vehicle regulation to suspend or revoke certificates of common carriers, permits of contract carriers, or drivers' or chauffeurs' licenses, for any violation of KRS 189.221 to 189.228 or any other act applicable to motor vehicles, as provided by law.

(3) Any person who violates KRS 189.170 shall be fined not less than fifteen dollars (\$15) nor more than fifty dollars (\$50) for each day he operates a truck in violation of KRS 189.170.

(4) (a) Any person who violates subsection (1) of KRS 189.190 shall be fined not more than fifteen dollars (\$15).

(b) Any person who violates subsection (5) of KRS 189.190 shall be fined not less than thirty-five dollars (\$35) nor more than two hundred dollars (\$200).

(5) (a) Any person who violates subsection (1) of KRS 189.210 shall be fined not less than twenty-five dollars (\$25) nor more than one hundred dollars (\$100).

(b) Any peace officer who fails, when properly informed, to enforce KRS 189.210 shall be fined not less than twenty-five dollars (\$25) nor more than one hundred dollars (\$100).

(c) All fines collected under this subsection, after payment of commissions to officers entitled thereto, shall go to the county road fund if the offense is committed in the county, or to the city street fund if committed in the city.

(6) Any person who violates subsection (1) of KRS 189.370 shall be fined not more than five hundred dollars (\$500) or imprisoned for not more than six (6) months, or both.

(7) Any person who violates KRS 189.500 shall be fined not more than fifteen dollars (\$15) in excess of the cost of the repair of the road.

(8) Any person who violates KRS 189.510 shall be fined not less than twenty dollars (\$20) nor more than fifty dollars (\$50).

(9) Any peace officer who violates subsection (2) of KRS 189.520 shall be fined not less than thirty-five dollars (\$35) nor more than one hundred dollars (\$100).

(10) Any person who violates KRS 189.530 shall be fined not less than thirty-five dollars (\$35) nor more than one hundred dollars (\$100) or imprisoned not less than thirty (30) days nor more than twelve (12) months, or both.

- (11) Any person who violates any of the provisions of KRS 189.550 shall be fined not less than twenty dollars (\$20) nor more than one hundred dollars (\$100) for each offense.
- (12) Any person who violates subsection (2) of KRS 189.560 shall be fined not less than thirty dollars (\$30) nor more than one hundred dollars (\$100) for each offense.
- (13) The fines imposed by paragraph (a) of subsection (4) and subsections (7) and (8) of this section shall, in the case of a public highway, be paid into the county road fund, and in case of a privately owned road or bridge be paid to the owner. These fines shall not bar an action for damages for breach of contract.
- (14) Any person who violates any of the provisions of KRS 189.120 shall be fined not less than twenty dollars (\$20) nor more than one hundred dollars (\$100) for each offense.
- (15) Any person who violates any provision of KRS 189.575 shall, upon conviction thereof, be fined not less than twenty dollars (\$20) nor more than twenty-five dollars (\$25).
- (16) Any person who violates subsection (2) of KRS 189.231 shall be fined not less than twenty dollars (\$20) nor more than one hundred dollars (\$100) for each offense.
- (17) (a) Any person who violates any of the provisions of KRS 189.565 shall be fined not less than twenty dollars (\$20) nor more than two hundred dollars (\$200), or imprisoned for not more than thirty (30) days or both.
- (b) In addition to the penalties prescribed in paragraph (a) of this subsection, in case of violation by any person in whose name such vehicle used in the transportation of inflammable liquids or explosives is licensed, such person shall be fined not less than one hundred dollars (\$100) nor more than five hundred dollars (\$500). Each violation shall constitute a separate offense.
- (18) Any person who abandons a vehicle upon the right-of-way of a state highway for seven (7) consecutive days shall be fined not less than thirty-five dollars (\$35) nor more than one hundred dollars (\$100) or imprisoned for not less than ten (10) days nor more than thirty (30) days.
- (19) Every person convicted for violation of KRS 189.393 shall be punished upon a first conviction by imprisonment for a period of not less than five (5) days nor more than ninety (90) days, or by fine of not less than thirty-five dollars (\$35) nor more than five hundred dollars (\$500), or by both such fine and imprisonment, and on a second or subsequent conviction shall be punished by imprisonment for not less than ten (10) days nor more than six (6) months, or by a fine of not less than sixty dollars (\$60) nor more than one thousand dollars (\$1,000), or by both such fine and imprisonment.
- (20) Any law enforcement agency which fails or refuses to forward the reports required by KRS 189.635 shall be subject to the penalties prescribed in KRS 17.157.
- (21) A person who elects to operate a bicycle in accord with any regulations adopted pursuant to KRS 189.287 and who willfully violates a provision of such a regulation shall be fined not less than ten dollars (\$10) nor more than one hundred dollars (\$100). A person who operates a bicycle without complying with any regulations adopted pursuant to KRS 189.287 or vehicle safety statutes shall be prosecuted for violation of the latter.
- (22) Any person who violates KRS 189.860 shall be fined not more than five hundred dollars (\$500) or imprisoned for not more than six (6) months, or both.
- (23) Any person who violates KRS 189.754 shall be fined not less than twenty-five dollars (\$25) nor more than three hundred dollars (\$300).
- (24) *Any person who violates the provisions of KRS 189.125(2) shall be fined fifty dollars (\$50).*
- (25) Fines levied pursuant to this chapter shall be assessed in the manner required by KRS 534.020 (but in amounts consistent with this chapter) and the response to nonpayment of fines shall be governed by KRS 534.060.

The Committee Amendment No. 1 to **SB 275** is as follows:

Amend printed copy of GA Copy of **SB 275** on page 2, after line 5, to insert the following:

"(6) The terms of this subsection (2) of this Section shall not apply if all seat positions in the pickup truck are occupied by persons other than a child of forty (40) inches in height or less."

The Committee on State Government reported **SB 35**, **SB 157**, **SB 130** with Committee Substitute and Committee Amendments attached thereto, **SB 212** with Committee Amendments attached thereto, **SB 294**, with Committee Amendment attached thereto, and **SJR 42** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 35. AN ACT relating to disability retirement.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 61.600 is amended to read as follows:

(1) An employee with sixty (60) months of service, twelve (12) months of which must be current service, may retire at any time before his normal retirement date on account of disability upon written notification to the board. Application for disability benefits must be made within twelve (12) months of *his last paid day [after termination]* of employment. Upon the examination by licensed physicians it must be determined that the employee, since his last day of paid employment, has been mentally or physically incapacitated to *perform his job or jobs of like duties from which he received his last paid employment* ~~engage in any occupation for remuneration or profit~~ and that such disability did not pre-exist at the time of initial employment or reemployment (except in case where a disabled recipient has returned to work on a trial basis) and is a result of bodily injury, mental illness or disease and that such incapacity is deemed to be permanent.

(2) *A disability shall be deemed to be permanent if that disability is expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months from the employee's last day of paid employment. For the purposes of determining permanence under this section, the board's medical examiners shall use the medical criteria under the social security disability program.*

(3) *Employees who have previously qualified for disability retirement and have had benefits discontinued shall be reevaluated under the criteria of subsection (2) of this section.*

Section 2. KRS 61.610 is amended to read as follows:

(1) Once each year following the retirement of a member on a disability retirement allowance, the board may require such person, prior to his normal retirement date, to undergo a medical examination. Should he refuse to submit to any such medical examination, his retirement allowance shall be discontinued until his withdrawal of such refusal, and should such refusal continue for one (1) year, all his rights to any further disability allowance shall cease.

(2) *Disability retirees whose effective retirement date is August 1, 1988 or thereafter shall undergo a financial and medical staff review and, if necessary, be required to submit current medical information.*

Section 3. KRS 61.665 is amended to read as follows:

(1) The board shall employ at least three (3) physicians, practicing in the state and not members of the system, upon such terms and conditions as it may prescribe, whose duty it shall be to pass upon all medical examinations required under KRS 61.510 ~~[61.515]~~ to 61.705 and 16.505 ~~[16.510]~~ to 16.652 and 78.510 ~~[78.520]~~ to 78.852, or by the board, and to investigate all health or medical statements and certificates made by or in behalf of any person in connection with the payment of money to such person under KRS 61.510 ~~[61.515]~~ to 61.705 and 16.505 ~~[16.510]~~ to 16.652 and 78.510 ~~[78.520]~~ to 78.852, and shall report in writing to the board his conclusions and recommendations upon all matters referred to him.

(2) (a). Each employee requesting disability retirement shall furnish the retirement office with the names

and addresses of two (2) or more physicians who have the necessary information to report the employee's physical and mental condition. *The employee shall also submit a description of the job from which he received his last pay;*

(b) *The employer shall submit a description of the job for which the employee was last paid;*

(c) The board shall prescribe forms upon which medical evidence shall be recorded. The forms shall be sent to the employee's physicians with the request that the documents be filed with the board;

(d)(e) The cost of a medical examination shall be paid by the employee. The physicians shall be paid a reasonable amount by the retirement system for the filing of the medical report with the retirement office;

(e)(d) The board shall select a ~~two (2)~~ medical examiner ~~[examiners]~~ who shall evaluate the medical evidence submitted by the employee's physician. The ~~examiner~~ ~~[examiners]~~ shall recommend that disability retirement be approved, or that disability retirement be denied. *If the medical examiner recommends denial of disability benefits, the board shall submit the member's application to two (2) additional medical examiners. Both of the additional medical examiners must recommend approval of disability benefits to overturn the original recommendation [A third medical examiner shall review the medical evidence when necessary to provide a consensus if the recommendations of the first two (2) medical examiners do not agree];*

(f)(e) If the medical examiners recommend that the employee be approved for disability retirement, the general manager shall proceed to make retirement payments in accordance with the retirement plan selected by the employee;

(g)(f) If the medical examiners recommend that the employee be denied disability retirement, the general manager shall notify the board and the employee of this recommendation. *The employee shall have one hundred twenty (120) days to submit additional medical information to the initial reviewer or to appeal his denial for disability benefits by one (1) of the following means:*

1. *The employee may request a hearing before the disability appeal committee which shall consist of the initial medical examiner, legal counsel and a medical examiner who has not previously denied the application. The employee may be accompanied at this hearing by his own legal counsel and spouse or other individual to present a fifteen (15) minute appeal. After the employee has presented his appeal, the appeal committee may request such information as it deems necessary and shall notify the employee in writing of its final decision;*

2. *The employee may file suit in the Franklin Circuit Court. [The employee shall have the opportunity of furnishing additional medical evidence of total and permanent disability and any such additional evidence shall be submitted to the medical examiners. The additional medical information shall be submitted within one hundred and twenty (120) days after notification by the general manager. If additional information is not submitted within one hundred and twenty (120) days, the disability request will be voided;*

(g) If the medical examiners recommend that the employee be denied disability retirement, the employee shall have one hundred and twenty (120) days in which to file an appeal of the medical examiners' decision in the Franklin Circuit Court.] No new or additional evidence shall be introduced in the Franklin Circuit Court, and the court shall hear the case upon the record as attested;

(h) The medical examiners shall be paid a reasonable amount by the retirement system for each case evaluated.

(3) Notwithstanding the foregoing provisions of this section the board is hereby authorized to pay for one (1) or more medical examinations requested by the examiners for the purpose of providing medical information deemed necessary by the examiners.

SB 157, AN ACT relating to campaign practices.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 61 IS CREATED TO READ AS FOLLOWS:

As used in this Act, unless the context otherwise requires:

(1) "Person" means an individual, or group of individuals, a partnership, a corporation, including its officers and directors, other business associations, the employes of any such corporation, partnership, or association, and the spouse, parent, child or sibling of any individual, officer, director partner, owner or employe who may become subject to the provisions of this Act.

(2) The term "government position" shall include, but not be limited to, any relationship from which any person receives from any branch of state or local government, or any subdivision thereof, compensation by way of salary, payment pursuant to the terms of any contract or agreement, or payment on a per diem basis, or is reimbursed for expenses.

(3) The term "other thing of value" shall include, but not be limited to, favorable action by any administrative agency, or commission, or any department of any branch of government; the sale, lease, transfer or exchange of any asset held in fee or in trust at less than its fair market value; the extension of any utility subject to regulation by the state, or any utility owned by any municipality or special district, to or across property owned by any person as defined in subsection (1), or the construction of any road or highway to or across the property of such person, when such person has become subject to the provisions of this Act. Nothing contained herein shall be construed to prohibit the construction of any utility, or road or highway, when it is part of an overall plan of improvement or new construction or is mandated and approved by the federal government.

SECTION 2. A NEW SECTION OF KRS CHAPTER 61 IS CREATED TO READ AS FOLLOWS:

Any person who has contributed more than two-thousand dollars (\$2,000) to any candidate for office, or to the candidates' committee, or group of committees supporting the same candidate, or to a political action committee or permanent committee supporting any one (1) candidate, or to the committee of a political party or affiliated committees, shall be prohibited from subsequently obtaining or accepting:

- (a) Employment or appointment, whether or not the position is covered by KRS 18A.110 to 18A.150;
- (b) Any contract for personal services, subject to the provisions of KRS 45.700 to 45.720;
- (c) Any contract for providing goods or services, subject to the provisions of KRS Chapter 45A;
- (d) Any other thing of value from government or any officer or employe thereof.

SECTION 3. A NEW SECTION OF KRS CHAPTER 61 IS CREATED TO READ AS FOLLOWS:

(1) No official or employe of state or local government shall offer or promise to any person any position of employment, contract, or other thing of value in return for any contribution to any candidate, or organization.

(2) In an action brought against any official, or employe for violation of subsection (1), the official or employe shall be personally liable and the defenses of sovereign immunity, execution of public duty and related defenses shall not be available.

SECTION 4. A NEW SECTION OF KRS CHAPTER 61 IS CREATED TO READ AS FOLLOWS:

The attorney general or the Franklin County Commonwealth's attorney may prosecute violations of this Act. All law enforcement agencies within the state shall lend necessary assistance to the investigation of any violation, or alleged violation.

SECTION 5. A NEW SECTION OF KRS CHAPTER 61 IS CREATED TO READ AS FOLLOWS:

(1) Any resident of the Commonwealth shall have standing to file a civil action against any official, employe, former official, former employe, person or business whom he has reason to believe has engaged in, permitted, aided, or counseled in the violation of this Act. In such cases:

- (a) Injunctive relief may be granted;

- (b) *Punitive damages, court costs, expenses and attorney's fees may be awarded;*
 - (c) *The prevailing party may collect court costs, expenses, and attorney fees from the other party; and*
 - (d) *The ordering of court costs, expenses and attorney fees, including the amount thereof, shall be in the discretion of the trial judge.*
- (2) *Actions for damages permitted under this section shall be actions against persons or businesses personally and no person may be permitted to maintain such an action against the Commonwealth, any state agency, or any political subdivision of the Commonwealth or any agency thereof, for violations of this Act. Actions for injunctive relief under this section may be brought against the public bodies and agencies.*

Section 6. KRS 61.990 is amended to read as follows:

(1) Any person who exercises any of the functions of a nonelective peace officer or deputy peace officer in violation of the provisions of KRS 61.300 shall be fined not less than one hundred dollars (\$100) nor more than five hundred dollars (\$500), or imprisoned in the county jail for not more than six (6) months, or both.

(2) Any person who violates any of the provisions of KRS 61.360 shall be fined not less than twenty-five dollars (\$25) nor more than five hundred dollars (\$500) or be imprisoned not less than ten (10) days nor more than sixty (60) days, or both.

(3) Any person who willfully violates the provisions of KRS 61.102(1) shall be guilty of a Class A misdemeanor.

(4) A court, in rendering a judgment in an action filed under KRS 61.102 and 61.103, shall order, as it considers appropriate, reinstatement of the employee, the payment of back wages, full reinstatement of fringe benefits and seniority rights, exemplary or punitive damages, or any combination thereof. A court may also award the complainant all or a portion of the costs of litigation, including reasonable attorney fees and witness fees.

(5) (a) *Any person who willfully violates the provisions of Section 2 of this Act shall be found guilty of a class D felony.*

(b) *Any person who violates the provisions of Section 3 of this Act shall be found guilty of a class D felony.*

(c) *Any person who conspires with another to conceal contributions in excess of those permitted by this Act shall be found guilty of a class D felony.*

SB 130, AN ACT proposing to amend Section 28 of the Constitution of Kentucky relating to administrative regulations.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. It is proposed that Section 28 of the Constitution of Kentucky be amended to read as follows:

No person or collection of persons, being of one of those departments, shall exercise any power properly belonging to either of the others, except in the instances hereinafter expressly directed or permitted; *provided, however, that the General Assembly shall have the power, by such process as it may establish by statute, to reject any executive department or administrative agency regulation not in compliance with statutory authority and legislative intent.*

Section 2. This amendment shall be submitted to the voters of the Commonwealth for their ratification or rejection at the time and in the manner provided for under Sections 256 and 257 of the Constitution and under KRS 118.415.

The Committee Substitute to **SB 130** is as follows:

SB 130, AN ACT proposing to amend Section 28 of the Constitution of Kentucky relating to administrative regulations.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. It is proposed that Section 28 of the Constitution of Kentucky be amended to read as follows:

No person or collection of persons, being of one of those departments, shall exercise any power properly belonging to either of the others, except in the instances hereinafter expressly directed or permitted; *provided, however, that the General Assembly shall have the authority to establish by general law a process whereby it, or such agency or committee as it designates, may review, approve, or reject any administrative regulation of an officer or agency of the executive department during or between regular sessions of the General Assembly.*

Section 2. This amendment shall be submitted to the voters of the Commonwealth for their ratification or rejection at the time and in the manner provided for under Sections 256 and 257 of the Constitution and under KRS 118.415.

The Committee Amendment No. 1 to **SB 130** is as follows:

Amend printed copy of **SB 130/HCS** on page 1, after line 13, by inserting the following:

"Section 2. It is proposed that Section 30 of the Kentucky Constitution be amended to read as follows:

Members of the House of Representatives and Senators shall be elected at the general election in even-numbered years for terms of *six* ~~[four]~~ years for Senators and *four* ~~[two]~~ years for members of the House of Representatives. The term of office of Representatives and Senators shall begin upon the first day of January of the year succeeding their election.

Section 3. It is proposed that Section 31 of the Kentucky Constitution be amended to read as follows:

At the general election to be held in November, *nineteen hundred and eighty-eight* ~~[1984]~~, and in even-numbered ~~[every two]~~ years thereafter, there shall be elected for *six* ~~[four]~~ years one Senator in each Senatorial District in which the term of his predecessor in office will then expire and *for four years one Representative* in every Representative District *in which the term of his predecessor in office will then expire* ~~[one Representative for two years]~~.

Section 4. It is proposed that Section 95 of the Constitution of Kentucky be amended to read as follows:

The election under this Constitution for Governor, Lieutenant Governor, Treasurer, Auditor of Public Accounts, Register of the Land Office, Attorney-General, Secretary of State, Superintendent of Public Instruction, and Commissioner of Agriculture, Labor and Statistics, shall be held on the first Tuesday after the first Monday in November, *nineteen* ~~[eighteen]~~ hundred and *ninety-two* ~~[ninety-five]~~, and the same day every four years thereafter.

Section 5. It is proposed that Section 97 of the Constitution of Kentucky be amended to read as follows:

~~[At the general election in eighteen hundred and ninety-two there shall be elected in each circuit court district a Commonwealth's Attorney, and in each county a Clerk of the Circuit Court, who shall enter upon the discharge of the duties of their respective offices on the first Monday in January after their election, and shall hold their offices five years, and until their successors are elected and qualified.]~~ In the year *nineteen* ~~[eighteen]~~ hundred and *ninety-four* ~~[ninety-seven]~~, and every six years thereafter, there shall be an election in each county for a Circuit Court Clerk, and for a Commonwealth's Attorney, in each circuit court district, unless that office be abolished, who shall hold their respective offices for six years from the first Monday in January after their election, and until the election and qualification of their successors.

Section 6. It is proposed that Section 99 of the Constitution of Kentucky be amended to read as follows:

At the general election in nineteen hundred and ninety-four and every four years thereafter, there shall be elected in each county a Judge of the County Court, a County Court Clerk, a County Attorney, Sheriff,

Jailer, Coroner, Surveyor and Assessor, and in each Justice's District one Justice of the Peace and one Constable, who shall enter upon the discharge of the duties of their offices on the first Monday in January after their election, and who shall hold their offices four years until the election and qualification of their successors.

Section 7. It is proposed that Section 148 of the Constitution of Kentucky be amended to read as follows:

Not more than one election each year shall be held in this State or in any city, town, district, or county thereof, except as otherwise provided in this Constitution. All *regular* elections of State, county, city, town or district officers shall be held on the first Tuesday after the first Monday in November 1990 and in even-numbered years thereafter [~~;~~ but no officer of any city, town, or county, or of any subdivision thereof, except members of municipal legislative boards, shall be elected in the same year in which members of the House of Representatives of the United States are elected. District or State officers, including members of the General Assembly, may be elected in the same year in which members of the House of Representatives of the United States are elected]. All elections by the people shall be between the hours of six o'clock a.m. and seven o'clock p.m., but the General Assembly may change said hours, and all officers of any election shall be residents and voters in the precinct in which they act. The General Assembly shall provide by law that all employers shall allow employees, under reasonable regulations, at least four hours on election days, in which to cast their votes.

Section 8. It is proposed that Section 160 of the Constitution of Kentucky be amended to read as follows:

The Mayor or Chief Executive, Police Judges, members of legislative boards or councils of towns and cities shall be elected by the qualified voters thereof: Provided, The Mayor or Chief Executive and Police Judges of the towns of the fourth, fifth and sixth classes may be appointed or elected as provided by law. The terms of office of Mayors or Chief Executives and Police Judges shall be four years, and until their successors shall be qualified, and of members of legislative boards, *four* [~~two~~] years. When any city of the first or second class is divided into wards or districts, members of legislative boards shall be elected at large by the qualified voters of said city, but so selected that an equal proportion thereof shall reside in each of the said wards or districts; but when in any city of the first, second or third class, there are two legislative boards, the less numerous shall be selected from and elected by the voters at large of said city; but other officers of towns or cities shall be elected by the qualified voters therein, or appointed by the local authorities thereof, as the General Assembly may, by a general law, provide; but when elected by the voters of a town or city, their terms of office shall be four years, and until their successors shall be qualified. No Mayor or Chief Executive of any city of the first or second class, after the expiration of three successive terms of office to which he has been elected under this Constitution shall be eligible for the succeeding term. No fiscal officer of any city of the first or second class, after the expiration of the term of office to which he has been elected under this Constitution, shall be eligible for the succeeding term. "Fiscal officer" shall not include an Auditor or Assessor, or any other officer whose chief duty is not the collection or holding of public moneys. The General Assembly shall prescribe the qualifications of all officers of towns and cities, the manner in and causes for which they may be removed from office, and how vacancies in such offices may be filled.

Section 9. It is proposed that Section 209 of the Constitution of Kentucky be amended to read as follows:

A commission is hereby established, to be known as "The Railroad Commission," which shall be composed of three Commissioners, [~~During the session of the General Assembly which convenes in December, eighteen hundred and ninety-one, and before the first day of June, eighteen hundred and ninety-two, the Governor shall appoint, by and with the advice and consent of the Senate, said three Commissioners, one from each Superior Court District as now established, and said appointees shall take their office at the expiration of the terms of the present incumbents. The Commissioners so appointed shall continue in office during the term of the present Governor, and until their successors are elected and qualified.~~] At the regular election in *nineteen* [~~eighteen~~] hundred and *ninety-eight* [~~ninety-five~~] and every four years thereafter the Commissioners shall be elected, one in each Superior Court District, by the qualified voters thereof, at the same time and for the same term as the Governor. No person shall be eligible to said office unless he be, at the time of his election, at least thirty years of age, a citizen of Kentucky two years, and a resident of the district from which he is chosen one year, next preceding his election. Any vacancy in this office shall be filled as provided in section 152 of this Constitution. The General Assembly may from time to time change said districts so as to equalize the population thereof; and may, if deemed expedient, require that the Commissioners be all elected by the qualified voters of the State at large. And if so required, one Commissioner shall be from each District. No person in the service of any railroad or common carrier company or corporation, or of any firm or association conducting business as a common carrier, or in anywise pecuniarily interested in such company, corporation, firm or association, or in the railroad business, or as a common carrier, shall hold such office. The powers and duties of the Railroad Commissioners shall be regulated by law; and, until otherwise provided by law, the Commission so created shall have the same powers and jurisdiction, perform

the same duties, be subject to the same regulations, and receive the same compensation, as now conferred, prescribed and allowed by law to the existing Railroad Commissioners. The General Assembly may, for cause, address any of said Commissioners out of office by similar proceedings as in the case of Judges of the Court of Appeals; and the General Assembly shall enact laws to prevent the nonfeasance and misfeasance in office of said Commissioners, and to impose proper penalties therefor.

Section 10. It is proposed that Section 256 of the Constitution of Kentucky be amended to read as follows:

Amendments to this Constitution may be proposed in either House of the General Assembly at a regular session, and if such amendment or amendments shall be agreed to by three-fifths of all the members elected to each House, such proposed amendment or amendments, with the yeas and nays of the members of each House taken thereon, shall be entered in full in their respective journals. Then such proposed amendment or amendments shall be submitted to the voters of the State for their ratification or rejection at the next general election [for members of the House of Representatives], the vote to be taken thereon in such manner as the General Assembly may provide, and to be certified by the officers of election to the Secretary of State in such manner as shall be provided by law, which vote shall be compared and certified by the same board authorized by law to compare the polls and give certificates of election to officers for the State at large. If it shall appear that a majority of the votes cast for and against an amendment at said election was for the amendment, then the same shall become a part of the Constitution of this Commonwealth, and shall be so proclaimed by the Governor, and published in such manner as the General Assembly may direct. Said amendments shall not be submitted at an election which occurs less than ninety days from the final passage of such proposed amendment or amendments. Not more than four amendments shall be voted upon at any one time. If two or more amendments shall be submitted at the same time, they shall be submitted in such manner that the electors shall vote for or against each of such amendments separately, but an amendment may relate to a single subject or to related subject matters and may amend or modify as many articles and as many sections of the Constitution as may be necessary and appropriate in order to accomplish the objectives of the amendment. The approval of the Governor shall not be necessary to any bill, order, resolution or vote of the General Assembly, proposing an amendment or amendments to this Constitution.

Section 11. It is proposed that the present Constitution of Kentucky be amended by repealing present Section 167 - Time of election of city officers and police judges; election years.

Section 12. It is further proposed as a part of this amendment and as a schedule of transitional provisions, for the purposes of this amendment, any other provision of the Kentucky Constitution notwithstanding:

(1) The term of office of governor; lieutenant governor; treasurer; auditor of public accounts; register of the land office; attorney general; secretary of state; superintendent of public instruction; commissioner of agriculture, labor and statistics; and railroad commissioners who were elected in 1987 shall serve a term of five years.

(2) The term of office of state senators who were elected in 1986 and who are elected in 1988 shall be for a term of six years.

(3) The term of office of state representatives who are elected in 1988 shall be for a four-year term.

(4) The term of office of court of appeals judges and of circuit court judges who were elected in 1983 shall be for a nine-year term.

(5) The term of office of commonwealth's attorneys and circuit court clerks who were elected in 1987 shall be for a term of seven years.

(6) The term of office of judge of the county court, county court clerk, county attorney, sheriff, jailer, coroner, surveyor, assessor, justice of the peace, and constable, who will be elected in 1989 shall be for a five-year term.

(7) The term of office of county commissioners who were elected in 1985 and in 1987 shall be for a five-year term.

(8) The term of office of mayors who were elected in 1987 shall be for a five-year term.

(9) The term of office of mayors who shall be elected in 1989 shall be for a five-year term.

(10) The term of office of municipal legislative body members who were elected in 1987 and who shall be elected in 1989 shall be for a five-year term.

(11) The term of office of any other elected official who is serving in office on the effective date of this amendment and whose term of office is scheduled to expire so that the office is scheduled to be on the ballot for reelection in an odd-numbered year shall have only that term of office extended for one year so that the election to be conducted for the office shall be conducted in an even-numbered year.”; and

On page 11, line 10, by deleting “Section 12.” and inserting in lieu thereof “Section 13.”.

The Committee Title Amendment to **SB 130** is as follows:

Amend printed copy of **SB 130/HCS** by amending the title to read as follows:

“AN ACT proposing an amendment to the Kentucky Constitution relating to state government and municipal corporations thereof.”.

SB 212. AN ACT relating to the corrections cabinet.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 196 IS CREATED TO READ AS FOLLOWS:

(1) *The division of mental health programs is hereby created and established within the department of adult correctional institutions in the corrections cabinet.*

(2) *The division shall be headed by a director appointed pursuant to KRS 12.050, and shall be responsible for the improvement and enhancement of mental health programs for inmates.*

Section 2. The General Assembly hereby confirms executive order 86-1054 of August 25, 1986, which made the aforementioned change.

The Committee Amendment No. 1 to **SB 212** is as follows:

Amend printed copy of GA Copy of **SB 212** on page 1, after line 12, by inserting the following:

“SECTION 3. A NEW SECTION OF KRS CHAPTER 210 IS CREATED TO READ AS FOLLOWS:

(1) *The secretary of human resources may designate employes of the cabinet, with direct responsibility for the supervision and control of persons who are mentally ill or who are undergoing evaluation as to mental illness in state operated facilities for the mentally ill, as peace officers.*

(2) *Employes of the cabinet designated as peace officers shall have all rights, duties, powers, and authority of a sheriff but they shall not be required to serve process unless specifically directed in writing by the secretary of human resources.*

SECTION 4. A NEW SECTION OF KRS CHAPTER 210 IS CREATED TO READ AS FOLLOWS:

(1) *Each state operated facility for the mentally ill which houses persons charged with a felony offense or convicted of a felony offense or persons alleged to be or committed as dangerous to themselves or other shall have a secure detention facility within the institution for the confinement and control of such persons.*

(2) *At least two (2) staff members of each shift who are engaged in the treatment, supervision or control of persons described in subsection (1) of this section shall be designated as peace officers pursuant to Section 3 of this Act and shall be appropriately trained and equipped to carry out their duties.*

(3) Any inmate of a state operated facility for the mentally ill who has been charged with a felony offense or convicted of a felony offense or who is alleged to be or has been committed as dangerous to themselves or others shall be confined in the secure detention area of the facility.

(4) Any inmate of a state operated facility for the mentally ill who assaults another inmate or a staff member or other person while confined therein or who escapes or attempts to escape from the facility shall be confined in the secure detention area of the facility unless he is confined in some other facility pursuant to law."

The Committee Title Amendment to **SB 212** is as follows:

Amend printed copy of GA Copy of **SB 212** on page 1, by deleting the title in its entirety and inserting in lieu thereof: "AN ACT relating to mental health programs in the corrections cabinet."

SB 294, AN ACT relating to the department of education and declaring an emergency.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 156.010 is amended to read as follows:

(1) The department of education shall consist of the superintendent of public instruction, who shall be the chief executive officer of the department, the *organizational structure of the department as set forth hereinafter in this section, the state board for elementary and secondary education, and the state board for vocational-technical, adult education and vocational rehabilitation services* [~~office of instruction, the office of education for exceptional children, the office of local services, the office of vocational education, the office of vocational rehabilitation, the office of budget management, the office of legal services, the office of personnel management, the office of administrative services, the office of resource management, the office of research and planning, and the state board of education~~].

(2) The superintendent of public instruction shall appoint a deputy superintendent for *elementary and secondary education, who shall directly supervise an office of instruction, headed by an office head and composed of divisions of accreditation, teacher education and certification, curriculum and staff development, compensatory education, support services, and student services; and an office of education for exceptional children, headed by an office head and composed of divisions of categorical programs, support services, coordinated programs, the Kentucky school for the blind, and the Kentucky school for the deaf.*

(3) The superintendent of public instruction shall appoint a deputy superintendent for *vocational-technical, adult education and vocational rehabilitation services, who shall directly supervise an office of vocational education, headed by an office head and composed of divisions of program services, staff development, support services, and school services; an office of vocational rehabilitation, headed by an office head and composed of divisions of field services, program development, support services, and the Carl D. Perkins comprehensive rehabilitation center; and an office of adult and community education, headed by an office head and composed of divisions of adult basic education, community education, and adult special projects.*

(4) The superintendent of public instruction shall appoint a deputy superintendent for research, who shall directly supervise an office of research and planning, headed by an office head and composed of divisions of planning, research, evaluation, and computer services; and an office of communication services, headed by an office head and composed of divisions of media services, recognition and special events, public information, and printing services [~~programs who is authorized to act in the absence of the superintendent of public instruction~~]. The superintendent shall also appoint a deputy superintendent for administration, who shall directly supervise an office of school administration and finance, headed by an office head and composed of divisions of buildings and grounds, pupil transportation, pupil attendance, school district finance, textbook services, surplus property, school food services, and insurance services; and an office of internal administration, headed by an office head and composed of divisions of purchasing, accounting, budget analysis, facilities management, personnel services, and equal education opportunity. Directly attached and responsible to the superintendent of public instruction also shall be an office of legal services headed by an office head, an assistant [~~a deputy superintendent~~] who shall be secretary to the state boards [~~board~~] of education, a chief executive assistant to the superintendent, and [~~a special assistant for public affairs responsible for press relations,~~] an ombudsman responsible for coordination and referral of correspondence from the public as it relates to departmental services and functions [~~and a principal assistant for federal and state liaison~~].

(5) The superintendent of public instruction shall establish the organizational units below the division level.

and arrange the units within the organizational structure of the department of education as set forth in subsections (1) to (4) of this section to provide required program and administrative services and assure effective execution of the department's responsibilities. The superintendent shall further, and as appropriate, abolish or assign within the organizational structure of the department of education established by subsections (1) to (4) of this section, those assistant office head positions and principal assistant positions within the department not specifically mentioned in this section but existing as of the effective date of this Act.

(6) *As of the effective date of this Act, all appropriate transfers of functions, personnel, funds, equipment, facilities, and records shall be made within the department of education to implement the provisions of this Act and actions taken pursuant hereto.*

(7)(3) The superintendent of public instruction shall have general supervision of all assistants, agents and employees. He shall be responsible for implementing policies promulgated by the state boards [board] of education. He may clothe his assistants with full power of attorney to act for him in the supervision, inspection and administration of the schools over which he has supervisory and administrative control.

(8) *Notwithstanding the provisions of KRS 438.050, the department of education shall establish procedures whereby any district may designate smoking areas for students.*

(9)(4) All employees shall be reimbursed for necessary traveling expenses incurred in the performance of their official duties, and no part of the reimbursement shall be included in or accounted as a part of their salaries.

(10)(5) The superintendent of public instruction, through his appropriate deputy superintendents, assistants, office heads, and division directors, [department of education] shall exercise all the administrative functions of the state in relation to the management and control of the public common schools, vocational education, vocational rehabilitation, adult and community education, the Kentucky school for the blind and the Kentucky school for the deaf, and may exercise the general powers and functions relating to state vocational schools and area vocational educational centers for young people who are enrolled in regular day schools and for out-of-school youth and adults, both employed and unemployed. The department of education shall exercise also those powers relating to television in aid of education and other proper public functions, as provided in KRS 156.070.

(11)(6) The Kentucky school for the blind advisory board, the Kentucky school for the deaf advisory board, the state board for elementary and secondary [of] education, the state board for vocational-technical, adult education and vocational rehabilitation services, the Kentucky council on teacher education and certification, the state advisory committee for educational improvement and the state textbook commission shall be [are] administratively attached to the office of superintendent, but each shall continue to exercise all the functions conferred upon it by law.

(12)(7) The state department of education in the operation and management of its schools and the programs at these schools shall meet all required federal and state standards relating to facilities and personnel qualifications; however, no license or license fee shall be required for any school or program operated by the state department of education.

(13)(8) The department of education shall be [is hereby designated as] the sole state agency for the purpose of developing and approving state plans required by state or federal laws and regulations as prerequisites to receiving federal funds for elementary and secondary education, vocational education, vocational rehabilitation and adult education.

Section 2. Whereas, it is of the utmost importance that the reorganization of the department of education reflected herein be implemented as soon as reasonably possible in order to effect more efficient and economical operations and to coincide this reorganization with the new fiscal year and funds appropriated therefor, an emergency is declared to exist and this Act shall become effective on July 1, 1988, upon its passage and approval by the governor.

The Committee Amendment No. 1 to SB 294 is as follows:

Amend printed copy of GA copy of SB 294 on page 7, between lines 2 and 3 by adding the following new sections and by renumbering the subsequent section accordingly:

"Section 2. KRS 156.024 is amended to read as follows:

Prior to submission of the formal budgetary requests of the department of education, established in KRS 156.010, to the governor and executive branch, complete copies of the budget areas in each board's jurisdiction shall be forwarded to the state board for elementary and secondary education and the state board for vocational-technical, adult education and vocational rehabilitation services [of education] to enable them [it] to fully investigate and review said requests and make recommendations to the governor.

Section 3. KRS 156.031 is amended to read as follows:

(1) There is hereby established within the department of education a state board for elementary and secondary [of] education which shall consist of thirteen (13) members. Seven (7) members shall be appointed, one (1) from each Supreme Court district, as established by KRS 21A.010, and six (6) members from the state at large, by the governor to serve for terms of four (4) years[; except that the original appointments shall be for the terms set out in Executive Order 80-624]. The members of the state board of education shall comprise the original members of the board and serve in such capacity for the remainder of their terms.

(2) The terms of the [original] appointees shall expire on June 30 in the appropriate year [designated], and the terms of each new member appointed thereafter shall begin on July 1.

(3) Vacancies in the membership of the board shall be filled by the governor for unexpired terms. Appointments shall be made without reference to occupation, political affiliation; or similar consideration. No member at the time of his appointment or during the term of his service shall be engaged as a professional educator.

(4) At the first regular meeting of the board in each fiscal year, a chairperson shall be elected from its voting membership [and a voting member shall be elected to serve as the ex officio member of the council on higher education].

(5) The superintendent of public instruction or his designee shall be the executive officer of the [state] board [of education].

(6) The primary function of the [state] board [of education] shall be to develop and adopt policies and regulations by which the department of education shall be governed in planning, coordinating, administering, supervising, operating, and evaluating the educational programs, services and activities within the department of education which are within the jurisdiction of the board.

SECTION 4. A NEW SECTION OF KRS CHAPTER 156 IS CREATED TO READ AS FOLLOWS:

(1) There is hereby established within the department of education a state board for vocational-technical, adult education and vocational rehabilitation services which shall consist of nine (9) voting members, one (1) from each Supreme Court district as established by KRS 21A.010 and two (2) members from the state at large.

(2) The governor shall make appointments to the board and fill vacancies as they may occur. Appointments shall conform to KRS 156.040. Subsequent to the effective date of this Act, the state board for vocational-technical, adult education and vocational rehabilitation services and all programs, services, and activities within its jurisdiction shall not be reorganized except by the General Assembly.

(3) The original appointments shall expire on June 30 in the year hereinafter designated and the terms of each member appointed thereafter shall begin on July 1 and be for four (4) years. The original appointments to the board shall be made in the following manner: three (3) shall expire on June 30, 1989; three (3) shall expire on June 30, 1990; and three (3) shall expire on June 30, 1991.

(4) The superintendent of public instruction or his designee shall be the executive officer of the board.

(5) The primary function of the board shall be to develop and adopt policies and regulations by which the department of education shall be governed in planning, coordinating, administering, supervising, operating and evaluating the vocational-technical, adult and community education and vocational rehabilitation programs, services and activities within the department of education.

(6) *The board shall have the management and control of state-operated vocational schools and vocational rehabilitation centers.*

(7) *The board shall have authority to establish administration and operating procedures for state-operated vocational schools, and regional staffs therefor, and for vocational rehabilitation centers, and field staffs therefor. However, all positions and employees shall continue to be subject to the provisions of KRS Chapter 18A.*

(8) *The board shall have the authority to enter into agreements with other agencies in order to carry out services under its jurisdiction.*

(9) *The board shall have authority to recommend to the state board for elementary and secondary education standards pertaining to secondary vocational education curriculum, accreditation, equipment, facilities, and related matters.*

Section 5. KRS 156.035 is amended to read as follows:

(1) *The Kentucky state board for elementary and secondary education and the state board for vocational-technical, adult education and vocational rehabilitation services are [of education is] recognized to be [a] public bodies [body] corporate and politic, and agencies [an agency] and instrumentalities [instrumentality] of the Commonwealth in the performance of essential governmental functions.*

(2) *For the benefit of programs under their [its] control and supervision the boards are [board is] authorized to implement the provisions of any act of Congress appropriating and apportioning funds to the state, to receive funds appropriated by the Kentucky general assembly, and to provide for the proper apportionment and disbursement of such funds in accordance with state or federal laws, and to accept and provide for the administration of any gifts, donations, or devises.*

(3) (a) *The boards are [board is] authorized to expend funds necessary for errors and omissions insurance premiums for insurance to cover the defense of, and any damages and costs awarded in, any civil action brought against individual board members on account of an act made in the scope and course of their performance of legal duties as board members.*

(b) *The authorization of the expenditure of public funds for such insurance is deemed critical to continuing to attract qualified individuals to become [state board of education] members of state boards, and is deemed to authorize the expenditure of public funds for a public purpose.*

(c) *Nothing in this subsection shall be construed as a waiver of the sovereign immunity of the Commonwealth with respect to claims against the state boards [board] of education, the department of education, or any of their respective officers, agents, or employees.*

Section 6. KRS 156.040 is amended to read as follows:

(1) *The members of the state board for vocational-technical, adult education and vocational rehabilitation services and the state board for elementary and secondary [of] education shall have the same qualifications as school board members, except that members of these boards [the state board of education] shall be at least thirty (30) years of age. Appointments shall be made without reference to occupation, political affiliation or similar considerations. No member at the time of his appointment or during the term of his service shall be engaged as a professional educator.*

(2) *Members of the state board for vocational-technical, adult education and vocational rehabilitation services shall possess an understanding of business and industry and a knowledge of occupational and academic needs of adults. At least one (1) member shall possess a knowledge of vocational rehabilitation services.*

Section 7. KRS 156.060 is amended to read as follows:

For meetings of the state board for elementary and secondary education and the state board for vocational-technical, adult education and vocational rehabilitation services, a majority of the voting members [of the state board of education] shall constitute a quorum for the transaction of business. Each [The] board shall meet not less than every three (3) months and at such other times as it may be called as provided in this

section. Special meetings of *each [the]* board may be called by the chairperson, and upon written request of two (2) members the chairperson shall call a special meeting of the board to be held not later than twenty (20) days following receipt of the written request. The chairperson shall give notice through the secretary by registered or certified mail, return receipt requested to each member of the board at least ten (10) days prior to the time of any meeting, unless all members of the board waive notice in writing. The offices of *each [the]* board shall be at the seat of government in the department of education and shall be provided by the state. Members of the board may receive a per diem of one hundred dollars (\$100) for each regular or special meeting attended [~~and for each meeting attended as an ex officio non-voting member of the council on higher education~~] and actual expenses for attending meetings, and may be reimbursed for other actual and necessary expenditures incurred in the performance of their duties authorized by the board. The per diem and expenses shall be paid out of the appropriation for *each board [the state board of education]*.

Section 8. KRS 156.070 is amended to read as follows:

(1) The state board for *elementary and secondary [of]* education shall have the management and control of the common schools, and all programs operated in such schools, including interscholastic athletics, the Kentucky school for the deaf and the Kentucky school for the blind. *The state board for vocational-technical, adult education and vocational rehabilitation services shall have the management and control of the state-operated vocational schools and vocational rehabilitation centers and all programs and services operated in these schools and centers. In addition, it shall be responsible for adult and community education programs and services.*

(2) The *state board for elementary and secondary education* may designate an organization or agency to manage interscholastic athletics in the common schools, provided that the rules, regulations and bylaws of any organization or agency so designated shall be approved by the board, and provided further that the board shall adopt regulations providing for the appeal to the board of any decisions made by the designated managing organization or agency.

(3) (a) *The state board for elementary and secondary education [It]* is hereby authorized to lease from the state property and buildings commission, or others, whether public or private, any lands, buildings, structures, installations and facilities suitable for use in establishing and furthering television and related facilities as an aid or supplement to classroom instruction, throughout the Commonwealth, and for incidental use in any other proper public functions. Any such lease may be for any initial term commencing with the date of such lease and ending with the next ensuing June 30 which is the close of the then current fiscal biennium of the Commonwealth with exclusive options in favor of the board to renew the same for successive ensuing bienniums (July 1 in each even year to June 30 in the next ensuing even year); and the rentals may be fixed at such sums in each biennium, if renewed, as will be sufficient to enable the state property and buildings commission to pay therefrom the maturing principal of and interest on (and provide reserves for) any revenue bonds which said state property and buildings commission may determine to be necessary and sufficient, in agreement with the board, to provide the cost of acquiring such television and related facilities, with appurtenances and such costs as may be incident to the issuance of such bonds.

(b) Each such option of the *state board for elementary and secondary [of]* education to renew the lease for a succeeding biennial term may be exercised at any time after the adjournment of the session of the general assembly at which appropriations shall have been made for the operation of the state government for such succeeding biennial term, by notifying the state property and buildings commission in writing, signed by the superintendent of public instruction, and delivered to the secretary of the finance and administration cabinet as a member of said commission; provided, however, that such option shall be deemed automatically exercised, and the lease automatically renewed for the succeeding biennium, effective on the first day thereof, unless a written notice of the board's election not to renew shall have been delivered in the office of the secretary of the finance and administration cabinet before the close of business on the last working day in April immediately preceding the beginning of such succeeding biennium.

(c) *The state board for elementary and secondary education* shall not itself operate such leased television facilities, or undertake the preparation of the educational presentations or films to be transmitted thereby, but may enter into one (1) or more contracts to provide therefor, with any public agency and instrumentality of the Commonwealth having, or able to provide, a staff with proper technical qualifications, upon which agency and instrumentality the board, through the superintendent of public instruction and the department of education, is represented in such manner as to coordinate matters of curriculum with the curricula prescribed for the public schools of the Commonwealth. Any such contract for the operation of the leased television or related facilities may permit limited and special uses of the television or related facilities for other programs in the public interest, subject to such reasonable terms and conditions as the board and the operating agency and instrumentality may agree upon; but any such contract shall affirmatively forbid the use of the television or related facilities, at any time or in any manner, in the dissemination of political propaganda or in furtherance

of the interest of any political party or candidate for public office, or for commercial advertising. No lease between the board and the state property and buildings commission shall bind the board to pay rentals for more than one (1) fiscal biennium at a time, subject to the aforesaid renewal options. The board may receive and may apply to rental payments under any such lease and to the cost of providing for the operation of such television or related facilities not only appropriations which may be made to it from state funds, from time to time, but also contributions, gifts, matching funds, devises and bequests from any source, whether federal or state, and whether public or private, so long as the same are not conditioned upon any improper use of the television or related facilities in a manner inconsistent with the provisions of this subsection.

(4) The state boards [~~board of education~~] may, on the recommendation and with the advice of the superintendent of public instruction, prescribe, print, publish and distribute at public expense such rules, regulations, courses of study, curriculums, bulletins, programs, outlines, reports and placards as *each* [~~it~~] deems necessary for the efficient management, control and operation of the schools *and programs* under its jurisdiction. All rules and regulations published or distributed by *each* [~~the~~] board shall be inclosed in a booklet or binder on which the words "informational copy" shall be clearly stamped or printed.

(5) Upon the recommendation of the superintendent of public instruction or his designee, the state boards [~~board of education~~] shall, *within their respective jurisdictional areas*, establish policy or act on all matters relating to programs, services, publications, capital construction and facility renovation, equipment, litigation, contracts, budgets and all other matters which are the administrative responsibility of the department of education.

(6) Vocational and non-vocational programs offered at the state universities shall be operated and administered by those universities consistent with the regulations developed by the board of trustees or regents and approved by the council on higher education for the issuance of associate, baccalaureate or graduate degrees. The state board *for vocational-technical, adult education and vocational rehabilitation services* [~~of education~~] and the state department of education shall not operate or administer any programs for such degrees. No institution of public higher education, including the community colleges, shall offer any new program of a vocational-technical-occupational nature below the associate degree level without the consent of the state board [~~of education~~]. The state board *for vocational-technical, adult education and vocational rehabilitation services* [~~of education~~], with approval of the council on higher education, may contract with institutions of public higher education for the operation of specific programs and projects.

(7) The department of education shall administer, supervise, and operate all programs offered in the state vocational technical schools and area vocational education centers, or may, with the approval of the state board *for vocational-technical, adult education and vocational rehabilitation services* [~~of education~~], contract with a local school system for such services.

(8) The state board *for vocational-technical, adult education and vocational rehabilitation services* [~~of education~~] shall be responsible for establishing priorities for, and approval of, construction of facilities designed for vocational-occupational type programs.

(9) The state board *for vocational-technical, adult education and vocational rehabilitation services* [~~of education~~], in conjunction with the council on higher education, shall, by program title, prepare a complete listing of programs of a vocational-technical-occupational type offered in public institutions of higher education and the community colleges, state vocational-technical schools and centers, and junior and senior high schools. These listings shall distinguish between vocational-technical-occupational programs for which approval is required by the state board [~~of education~~] and other general education programs.

(10) The state board *for vocational-technical, adult education and vocational rehabilitation services* [~~of education~~] shall have the authority and responsibility to review and to make recommendations to the council on higher education concerning both new programs and existing programs at the associate degree level offered at the institutions of public higher education, including the community colleges, if these programs are of a vocational-technical-occupational type.

Section 9. KRS 156.230 is amended to read as follows:

(1) The superintendent of public instruction shall annually prepare or cause to be prepared, and submit for approval and publication by the state board *for elementary and secondary* [~~of~~] education, a list of all public and private high schools or other secondary schools in the state, showing the classification of each.

(2) He shall, from time to time, prepare or cause to be prepared, and submit for approval and publication by the state board for elementary and secondary education or the state board for vocational-technical, adult education and vocational rehabilitation services [of education], such bulletins, programs, outlines of courses, placards, and courses of study as he deems useful in the promotion of the interests of the public schools, vocational education and vocational rehabilitation.

(3) He shall also prepare for publication the rules, regulations, minimum standards for schools and educational policies or programs adopted by the boards for the operation, regulation and government of the schools under their supervision.

Section 10. KRS 156.240 is amended to read as follows:

The superintendent of public instruction shall prepare for publication biennially, the complete school laws of the state, including abstracts of decisions of the court of justice, and opinions and interpretations of the attorney general and the superintendent of public instruction. He shall explain the true intent and meaning of the school laws and the published rules and regulations of the state board for elementary and secondary education and the state board for vocational-technical, adult education and vocational rehabilitation services [of education], and in doing so he shall freely consult the attorney general.

Section 11. KRS 156.253 is amended to read as follows:

(1) The superintendent of public instruction may enter into agreement to train workers for new manufacturing jobs in new or expanding industries characterized by one (1) or more of the following criteria: a high average skill, a high average wage, rapid national growth, or jobs feasible and desirable for location in rural regions. Such agreements shall be subject to review and approval by the state board for vocational-technical, adult education and vocational rehabilitation services [of education] at its next regularly scheduled meeting and shall not be subject to the requirements of KRS 45.360 and 45.700 to 45.720 when awarded on the basis of a detailed training plan approved by the superintendent of public instruction. Reimbursement to the industry shall be made upon submission of documents validating actual training expenditure not to exceed the amount approved by the training plan.

(2) The superintendent of public instruction may approve authorization for the department of education to enter into agreement with industries whereby the industry may be reimbursed directly for the following services:

- (a) The cost of instructors' salaries when the instructor is an employee of the industry to be served;
- (b) Cost of only those supplies, materials, and equipment used exclusively in the training program; and
- (c) Cost of leasing a training facility should a vocational education school or the industrial plant not be available.

Section 12. KRS 156.485 is amended to read as follows:

(1) For purposes of any public employment, a GED certificate shall be considered equal to a high school diploma. A GED certificate shall be issued without charge upon successfully passing a test or tests given by the General Educational Development Testing Service of the American Council on Education or successor organization. A five dollar (\$5.00) fee may be assessed by the state board for vocational-technical, adult education and vocational rehabilitation services [of education] for the issuance of a duplicate GED high school equivalency certificate. All fees collected for duplicate certificates shall be used to support the adult education program.

(2) Sufficient funding shall be provided to comply with the American Council on Education's commission on educational credit and credentials requirement of an essay as an additional requirement on the GED examination. Funds shall be used for the following purposes:

- (a) Curriculum shall be developed for GED essay writing and GED teachers in local districts shall receive training to teach writing skills to adults;
- (b) Additional funds shall be granted to local districts for the addition of staff as necessary to accommodate

the essay requirement and other new requirements as mandated by the American Council on Education;

(c) Staff shall be employed and trained by the department of education to score approximately seventeen thousand (17,000) essays annually as a part of the requirement for the GED, high school equivalency examination; and

(d) Essay readers will be assigned to the division of adult education to score essays daily.

Section 13. KRS 157.060 is amended to read as follows:

The officials of each educational institution and each school district supported in whole or in part from taxation shall make a report to the state board *for elementary and secondary education or the state board for vocational-technical, adult education and vocational rehabilitation services* [of education] at the close of each scholastic year, showing in detail all funds received from the state and from all other sources during the year, and a detailed statement of all expenditures for the year.

Section 14. KRS 157.360 is amended to read as follows:

(1) In determining the cost of the foundation program for each district, the superintendent of public instruction shall allot to each district classroom units for elementary and secondary schools, classroom units for vocational education, classroom units for exceptional children, classroom units for gifted and talented children when units are included in the executive budget, classroom units for superintendents, administrative and special instructional services, classroom units for supervisors of instruction, classroom units for directors of pupil personnel, and classroom units for related services for exceptional children; provided, however, that the number of classroom units allotted any district shall not exceed the number of teachers employed by the district.

(2) Unless otherwise provided by the general assembly in a budget bill, classroom units for elementary and secondary schools shall be allotted as follows:

(a) Classroom units for kindergarten shall be allotted one (1) unit for each twenty-five (25) kindergarten full-time equivalent pupils in average daily attendance, except when sufficient funding is appropriated to the kindergarten program, one (1) unit shall be provided for each twenty (20) full-time equivalent pupils in average daily attendance. Beginning with the 1986-87 school year, one (1) teacher aide shall be provided for each kindergarten unit allotted;

(b) Classroom units for grade one (1) shall be allotted as follows:

1986-87, one (1) unit for each twenty-three (23) students in average daily attendance;

1987-88, one (1) unit for each twenty-two (22) students in average daily attendance;

1988-89, one (1) unit for each twenty-one (21) students in average daily attendance; and

1989-90 and thereafter, one (1) unit for each twenty (20) students in average daily attendance;

(c) Classroom units for grade two (2) shall be allotted as follows:

1986-87, one (1) unit for each twenty-three (23) students in average daily attendance;

1987-88, one (1) unit for each twenty-two (22) students in average daily attendance; and

1988-89 and thereafter, one (1) unit for each twenty-one (21) students in average daily attendance;

(d) Classroom units for grade three (3) shall be allotted as follows:

1986-87, one (1) unit for each twenty-three (23) students in average daily attendance; and

1987-88 and thereafter, one (1) unit for each twenty-two (22) students in average daily attendance;

(e) Classroom units for grade four (4) shall be allotted as follows:

1986-87, one (1) unit for each twenty-seven (27) students in average daily attendance;

1987-88, one (1) unit for each twenty-six (26) students in average daily attendance;

1988-89, one (1) unit for each twenty-five (25) students in average daily attendance; and

1989-90 and each year thereafter, one (1) unit for each twenty-four (24) students in average daily attendance;

(f) Classroom units for grade five (5) shall be allotted as follows:

1986-87, one (1) unit for each twenty-seven (27) students in average daily attendance; and

1987-88 and each year thereafter, one (1) unit for each twenty-six (26) students in average daily attendance;

(g) Classroom units for grade six (6) shall be allotted as follows:

1986-87, one (1) unit for each twenty-seven (27) students in average daily attendance; and

1987-88 and each year thereafter, one (1) unit for each twenty-six (26) students in average daily attendance;

(h) Twenty-seven (27) pupils in average daily attendance in grades seven (7) through twelve (12). Nine and six-tenths (9.6) average daily attendance shall be deducted for each unit allotted the school district for grades four (4) through twelve (12) under subsection (9) of this section and seven and two-tenths (7.2) average daily attendance shall be deducted for each unit allotted the school district for grades four (4) through twelve (12) under subsection (10) of this section. The average daily attendance of any exceptional child not assigned to a specific grade shall be added to the average daily attendance of grades four (4) through twelve (12) before classroom units are allotted under this paragraph. Unless otherwise provided by the general assembly in a budget bill, the allotments of classroom units in this subsection shall be made on the average daily attendance for the end of the previous school year in public school grades kindergarten through twelve (12) except as provided in subsections (9) and (10) of this section.

(3) [(a) Effective until July 1, 1986, the superintendent of public instruction shall enforce maximum class sizes for every academic course requirement of the state board of education in kindergarten and grades one (1) through six (6) except in vocal and instrumental music, art, physical education and special education classes. The maximum number of pupils enrolled in a class shall be calculated by adding four (4) to the average daily attendance figure upon which funding of the unit is appropriated in the biennial budget. The superintendent of public instruction, upon approval of the state board of education, shall adopt regulations for enforcing this provision. These regulations shall include procedures whereby a superintendent may request an exemption from the state board of education when unusual circumstances warrant an increased class size for an individual class. A request for an exemption shall include specific reasons for the increased class size with a plan for reducing the class size prior to the beginning of the next school year. A district shall not receive in any one (1) year exemptions for more classes than enroll twenty percent (20%) of the pupils in kindergarten and grades one (1) through six (6).

(b) Effective July 1, 1986,] The superintendent of public instruction shall enforce maximum class sizes for every academic course requirement of the state board for *elementary and secondary* [of] education in kindergarten and grades one (1) through eight (8) except in vocal and instrumental music, art, physical education and special education classes. Except in classes combining pupils from two (2) or more grade levels, the maximum number of pupils enrolled in a class shall be calculated by adding three (3) to the average daily attendance figure upon which funding of the unit is appropriated in the biennial budget in kindergarten and grades one (1) through six (6) and by adding four (4) to the average daily attendance figure upon which funding of the unit is appropriated in the biennial budget in grades seven (7) and eight (8). The superintendent of public instruction, upon approval of the state board for *elementary and secondary* [of] education, shall adopt regulations for enforcing this provision. These regulations shall include procedures whereby a superintendent may request an exemption from the state board for *elementary and secondary* [of] education when unusual

circumstances warrant an increased class size for an individual class. A request for an exemption shall include specific reasons for the increased class size with a plan for reducing the class size prior to the beginning of the next school year. A district shall not receive in any one (1) year exemptions for more classes than enroll twenty percent (20%) of the pupils in kindergarten and grades one (1) through eight (8).

(4) In classes with combined grades, the maximum class size shall be the average daily attendance upon which funding is appropriated for the lowest assigned grade in the class. There shall be no exceptions to the maximum class size for combined classes.

(5) If a local school district through its admission and release committee determines that an appropriate program in the least restrictive environment for a particular handicapped child includes either part-time or full-time enrollment with a private school or agency within the state or a public or private agency in another state, then the school district shall count this as average daily attendance in a public school the time that such child is in attendance at such school or agency, contingent upon approval by the state superintendent of public instruction and pursuant to KRS 158.130.

(6) Pupils attending a center for child learning and study established under an agreement pursuant to KRS 65.210 to 65.300 shall, for the purpose of calculating average daily attendance, be considered as in attendance in the school district in which the child legally resides and which is party to the agreement. For purposes of subsection (1) of this section, teachers employed in such a center shall be considered as employees of each school district which is a party to the agreement.

(7) Allotments of classroom units except those allotted in accordance with subsection (8) of this section, shall be increased when the average daily attendance in kindergarten and grades one (1) through twelve (12) in any district for the first two (2) months of the current school year is greater than the average daily attendance of the district in kindergarten and grades one (1) through twelve (12) for the first two (2) months of the previous school year. The total number of classroom units allotted the district shall be increased by the percent of increase. The average daily attendance in kindergarten is the kindergarten full-time equivalent pupils in average daily attendance.

(8) If the percentage of attendance of any school district shall have been reduced more than two percent (2%) during the previous school year, the number of classroom units allotted the district, except those allotted in accordance with subsection (7) of this section, for the current school year shall be increased by the difference in the percentage of attendance for the two (2) years immediately prior to the current school year less two percent (2%).

(9) (a) Unless otherwise provided by the general assembly in a budget bill, in allotting classroom units for vocational education, one (1) classroom unit shall be allotted for each full-time teacher, and a proportionate fraction of a classroom unit shall be allotted for each less than full-time teacher of vocational classes that meet the regulations of the state plan of vocational education as approved by the state board *for vocational-technical, adult education and vocational rehabilitation services* [of education]; a proportionate fraction of a classroom unit shall be allotted for each teacher employed to teach part-time or short unit classes for less than a school day or a school year that meet the regulations of the state plan of vocational education as approved by the state board *for vocational-technical, adult education and vocational rehabilitation services* [of education]. The classroom units allotted under this subsection shall not exceed the units provided in the biennial budget without approval of the governor.

(b) Instructional salaries for vocational agriculture classes shall be allotted for twelve (12) months per year. Vocational agriculture teachers shall be responsible for the following program of instruction during the time period beyond the regular school term established by the local board of education: supervision and instruction of students in agriculture experience programs; group and individual instruction of farmers and agribusinessmen; supervision of student members of agricultural organizations who are involved in leadership training or other activity required by state or federal law; or any program of vocational agriculture established by the office of vocational education in the department of education. Salary allotments for vocational agriculture units shall be computed by proportionately increasing the salary schedule allocation based on the regular one hundred eighty-five (185) day school year for teachers with comparable qualifications and experience. During extended employment, no vocational agriculture teacher shall receive salary on a day that the teacher is scheduled to attend an institution of higher education class which could be credited toward meeting any certification requirement.

(c) Each teacher of agriculture employed twelve (12) months per year shall submit an annual plan for summer program to the local school superintendent for approval. The summer plan shall include: a list of

tasks to be performed, purposes for each task, and time to be spent on each task. Approval by the local school superintendent shall be in compliance with the guidelines developed by the state department of education. The supervision and accountability of teachers of vocational agriculture's summer programs shall be the responsibility of the local school superintendent. The local school superintendent shall submit to the state superintendent of public instruction a completed report of summer tasks for each vocational agriculture teacher employed for twelve (12) months. Twenty percent (20%) of the approved twelve (12) month vocational agriculture programs shall be audited annually by the state department of education to determine that the summer plan has been properly executed.

(10) (a) Through the 1987-88 school year, one (1) classroom unit shall be included upon the employment of each teacher approved to teach exceptional children in accordance with the provisions of law and Kentucky administrative regulations of the state board *for elementary and secondary* [of] education. The classroom units allotted under this subsection shall not exceed the units provided in the biennial budget without approval of the governor;

(b) Effective with the 1988-89 school year and each year thereafter, one (1) classroom unit for exceptional children properly identified in the prior year in accordance with the provisions of law and Kentucky administrative regulations of the state board *for elementary and secondary* [of] education shall be allotted for each six (6) children identified as emotionally disturbed, hearing impaired, trainable mentally handicapped, or severely and profoundly mentally handicapped, each sixty (60) children identified as having communication disorders of speech and language but not counted in any other area of exceptionality, and each twelve (12) additional exceptional children in all other categories referenced in KRS 157.200. Portions of units shall be allotted by tenths of units when the number of children do not total the required number for a whole unit. Calculations for units for exceptional children shall not be based on average daily attendance. A local school district may organize and administer classroom units to best meet the needs of its exceptional children pursuant to KRS 157.224(2). The superintendent of public instruction shall enforce minimum and maximum class sizes as provided in administrative regulations. No local school district shall receive classroom units for exceptional children for more than fifteen percent (15%) of their prior year's average daily attendance for the 1988-89 school year and for more than twelve percent (12%) of their prior year's average daily attendance for the 1989-90 school year and each year thereafter without state board *for elementary and secondary* [of] education approval based on unique or unusual district characteristics including but not limited to federal census population being substantially higher than the district's student enrollment;

(c) In addition to the classroom units allotted in paragraphs (a) and (b) of this subsection, if a local school district, through its admission and release committee, determines that the most appropriate and least restrictive individual educational program for a particular handicapped child includes either part-time or full-time enrollment with a private school or agency, the school district shall be reimbursed in addition to the amount distributed under KRS 157.390, a pro rata allotment for those pupils under contract. The pro rata amount shall be calculated by dividing the district's average salary allotted for one hundred eighty-five (185) days plus the current expense and capital outlay allotment per classroom unit by the maximum number of pupils required by regulations for the pupil's specific type of classroom unit; and

(d) The superintendent of public instruction shall limit approval of additional private agencies for participation in state funding for the above-cited program to those funds appropriated for this purpose in each biennial budget.

(11) (a) In allotting classroom units for home and hospital instruction, one (1) unit excluding the capital outlay allotment, shall be allotted for each ten (10) children in average daily attendance in the current school year who have been properly identified according to state board *for elementary and secondary* [of] education regulations. Attendance shall be calculated pursuant to KRS 157.270 and shall be reported monthly on forms provided by the department of education; and

(b) Pursuant to regulations of the department of education, local school districts shall be reimbursed for home and hospital instruction for pupils unable to attend regular school sessions because of short term health impairments. A reimbursement formula shall be established by regulation to include such factors as a reasonable per hour, per child allotment for teacher instructional time, with a maximum number of funded hours per week, a reasonable allotment for teaching supplies and equipment, a reasonable allotment for travel expenses to and from instructional assignments, but such formula shall not include an allotment for capital outlay. Attendance shall be calculated pursuant to KRS 157.270 and shall be reported monthly on forms provided by the department of education.

(12) Unless otherwise provided by the general assembly in a budget bill, in allotting classroom units

for administrative and special instructional services, the total number of classroom units allotted in subsections (2), (9), and (10) of this section shall be divided by nine (9) and the quotient shall be the number of classroom units allotted to the district under this subsection.

(13) In allotting classroom units for supervisors of instruction, one-half (1/2) of a classroom unit shall be allotted each district which is allotted twenty-five (25) through forty-nine and nine-tenths (49.9) classroom units under subsections (2), (9) and (10) of this section; one (1) unit shall be allotted each district which is allotted fifty (50) to one hundred (100) classroom units, one (1) unit shall be allotted for each one hundred (100) classroom units, or major fraction thereof, in districts allotted more than one hundred (100) classroom units under these subsections.

(14) Unless otherwise provided by the general assembly in a budget bill, in allotting classroom units for directors of pupil personnel, one (1) classroom unit shall be allotted each district which is allotted thirty-six (36) to one hundred sixty-five and nine-tenths (165.9) classroom units under subsection (2) of this section and a unit for each additional two hundred and sixty-six (266) classroom units or fraction thereof allotted under subsection (2) of this section. For districts having fewer than thirty-six (36) classroom units, a proportionate fraction of a classroom unit shall be allotted.

(15) In allotting classroom units for superintendent, one (1) unit shall be allotted each school district.

(16) In allotting classroom units for gifted and talented children, the superintendent of public instruction, under Kentucky administrative regulations of the state board *for elementary and secondary* [of] education, may allot units for gifted and talented children. The classroom units allotted under this subsection shall not exceed the units provided in the biennial budget without the approval of the governor.

(17) Effective with the 1988-89 school year and each year thereafter, in allotting classroom units for related services for exceptional children, one (1) classroom unit shall be allotted for each five hundred (500) exceptional children properly identified in the prior year in accordance with the provisions of law and Kentucky administrative regulations of the state board *for elementary and secondary* [of] education. Classroom units for related services for exceptional children shall be used for approved certified or licensed personnel to provide the support services required to assist exceptional children to benefit from special education. Units may be used for special education directors or supervisors certified in special education and personnel to conduct the related services defined in KRS 157.200(4). Units shall be allotted proportionately and districts may provide related services through joint agreements. Nothing in this subsection shall prohibit a district from using units generated in subsections (12) and (13) of this section for related services for exceptional children.

Section 15. KRS 163.120 is amended to read as follows:

The superintendent of public instruction is hereby authorized to establish within the department of education a state vocational rehabilitation agency. This agency shall have such powers and duties as contained in KRS 163.110 to 163.180 and such other functions as may be established by regulation of the state board for *vocational-technical, adult education and vocational rehabilitation services* [occupational education].

Section 16. KRS 163.032 is amended to read as follows:

(1) The Kentucky department of education, with assistance from the Kentucky department of personnel, shall develop a salary structure that will enable teachers in the state-supported vocational schools to be initially employed at a starting salary that is not lower than the average salary paid to beginning classroom teachers by all schools in *the state* [that vocational region] for personnel with comparable qualifications and experience. The salary schedules shall be computed prior to July 1 of each year and shall be based on the regular one hundred eighty-five (185) day school year. Salaries for extended employment shall be computed at the same rate as the regular pay.

(2) The Kentucky department of education, with assistance from the Kentucky department of personnel, shall adopt a salary schedule for teachers in the Kentucky school for the deaf and the Kentucky school for the blind. The salary schedule shall be the same as salary schedules in effect in local school districts in counties containing a city of the first class and shall conform to the requirements for a single salary schedule as defined in KRS 157.320.

(3) [Schedules for the 1986-87 school year shall be developed and implemented by August 1, 1986.]

(4)] Certified teachers in the Kentucky school for the deaf and the Kentucky school for the blind shall have the same statutory employment status and benefits as certified teachers in the public schools.

Section 17. The Reviser of Statutes is directed to change the phrase, "state board of education" to "state board for elementary and secondary education" in each and every place the phrase appears in the following statutes: 12.020, 12.410, 17.165, 58.150, 66.480, 156.022, 156.071, 156.074, 156.076, 156.080, 156.090, 156.095, 156.097, 156.101, 156.132, 156.134, 156.136, 156.138, 156.152, 156.153, 156.154, 156.160, 156.200, 156.210, 156.255, 156.275, 156.400, 156.405, 156.410, 156.437, 156.447, 156.470, 156.472, 156.474, 156.476, 156.499, 156.611, 156.613, 157.100, 157.110, 157.120, 157.130, 157.140, 157.150, 157.160, 157.170, 157.190, 157.200, 157.220, 157.221, 157.224, 157.250, 157.280, 157.315, 157.320, 157.350, 157.390, 157.410, 157.420, 157.510, 157.520, 157.570, 157.580, 157.615, 157.620, 157.622, 158.030, 158.060, 158.070, 158.110, 158.120, 158.140, 158.148, 158.355, 158.360, 158.405, 158.425, 158.607, 158.610, 158.620, 158.6401, 158.6402, 158.6403, 158.650, 158.660, 158.665, 158.670, 158.685, 158.690, 158.700, 158.710, 158.730, 158.750, 158.770, 158.775, 158.780, 158.785, 158.800, 158.805, 159.030, 159.040, 159.070, 159.080, 159.130, 159.140, 159.170, 159.260, 160.041, 160.045, 160.105, 160.156, 160.157, 160.180, 160.190, 160.210, 160.293, 160.340, 160.370, 160.380, 160.390, 160.460, 160.470, 160.510, 160.530, 160.550, 160.560, 160.570, 160.599, 160.640, 161.010, 161.025, 161.027, 161.030, 161.042, 161.044, 161.046, 161.100, 161.115, 161.120, 161.122, 161.126, 161.155, 161.159, 161.210, 161.740, 162.060, 162.170, 162.180, 162.185, 164.0282, 164.050, 164.740, 167.015, 167.017, 167.035, 167.037, 167.150, 167.170, 168.020, 319.015, 335.010, 367.660, and 452.430.

Section 18. The Reviser of Statutes is directed to change the phrase "state board of education" to "state board for vocational-technical, adult education and vocational rehabilitation services" in each and every place the phrase appears in the following statutes: 163.030, 163.070, 163.085, 163.086, 163.087, 163.120, 163.140, 163.180, 317A.150 and 343.020."

SJR 42. A JOINT RESOLUTION creating a legislative task force on corrections, making an appropriation therefor, and declaring an emergency.

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. There is established a legislative Task Force on Corrections. This task force shall consist of twenty (20) members. The members shall be appointed by the Legislative Research Commission, for a two-year period beginning in May, 1988. The membership shall reflect a broad representation of individuals and agencies with vested interests in state corrections. The members shall consist of a representative from each of the following organizations or constituencies:

- (a) Attorney General's Office;
- (b) Parole Board;
- (c) Corrections Department of Adult Institutions;
- (d) Corrections Department of Community Services and Local Facilities;
- (e) Commonwealth Attorney's Association;
- (f) County Attorney's Association;
- (g) Jailers Association;
- (h) Public Advocacy;
- (i) Governor's Office;
- (j) Justice Cabinet;
- (k) State Police;

- (l) Local law enforcement;
- (m) Circuit Court Judges;
- (n) District Court Judges;
- (o) House Appropriations and Revenue Committee;
- (p) House Judiciary Criminal Committee;
- (q) Senate Appropriations and Revenue Committee;
- (r) Senate Judiciary Criminal Committee
- (s) Statewide victim's group;
- (t) Criminal justice faculty;
- (u) General public.

These members shall serve two (2) year terms.

(2) If a vacancy occurs, the appointing authority shall make an appointment to become effective immediately for the unexpired term. The Legislative Research Commission shall elect a chair from the membership of the task force as well as a vice-chair to serve in the absence of the chair.

Section 2. (1) The task force shall meet regularly as determined by the chair or at the written request of at least ten (10) members of the task force.

(2) The task force shall, with the assistance of appropriate Legislative Research Commission staff:

- (a) Investigate sentencing and parole trends in Kentucky;
- (b) Determine the effect of these trends on current and future state, county and local corrections;
- (c) Review the full range of sentencing and parole options to include but not limited to: work release, community service, and other alternatives to incarceration;
- (d) Make recommendations concerning sentencing and parole options to the governor and secretary of corrections;
- (e) Provide the corrections commission with an interim report on its findings;
- (f) Propose legislation based on its findings during the 1990 General Assembly.

(3) The members of this task force may request whatever data is necessary to complete this task. The data collection shall be guided by a methodologically sound research design developed in conjunction with professionals with expertise in research and corrections theory and practice.

(4) The members of this committee shall be entitled to necessary expenses and twenty-five thousand dollars (\$25,000) from the General Fund is appropriated to the task force to be used for data collection, analysis, and the preparation of the findings of this study.

Section 3. In order to give the task force the maximum amount of time possible to complete its work, an emergency is declared to exist and this Resolution shall become effective upon its passage and approval by the Governor.

The Committee Substitute to **SJR 42** is as follows:

SJR 42. A JOINT RESOLUTION creating a legislative task force on corrections, making an appropriation therefor, and declaring an emergency

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. (1) There is established a legislative Task Force on Corrections. This task force shall consist of twenty-three (23) members. The members shall be appointed by the Legislative Research Commission, for a two-year period beginning in May, 1988. The membership shall reflect a broad representation of individuals and agencies with vested interests in state corrections. The members shall consist of a representative from each of the following organizations or constituencies:

- (a) Attorney General's Office;
- (b) Parole Board;
- (c) Corrections Department of Adult Institutions;
- (d) Corrections Department of Community Services and Local Facilities;
- (e) Commonwealth Attorney's Association;
- (f) County Attorney's Association;
- (g) Jailers Association;
- (h) Public Advocacy;
- (i) Governor's Office;
- (j) Justice Cabinet;
- (k) State Police;
- (l) Local law enforcement;
- (m) Circuit Court Judges;
- (n) District Court Judges;
- (o) House Appropriations and Revenue Committee;
- (p) House Judiciary Criminal Committee;
- (q) House State Government Committee;
- (r) Senate Appropriations and Revenue Committee;
- (s) Senate Judiciary Criminal Committee;
- (t) Senate State Government Committee;

- (u) Statewide victim's group;
- (v) Criminal justice faculty;
- (w) General public.

These members shall serve two (2) year terms.

(2) If a vacancy occurs, the appointing authority shall make an appointment to become effective immediately for the unexpired term. The Legislative Research Commission shall elect a chair from the membership of the task force as well as a vice-chair to serve in the absence of the chair.

Section 2. (1) The task force shall meet regularly as determined by the chair or at the written request of at least ten (10) members of the task force.

(2) The task force shall, with the assistance of appropriate Legislative Research Commission staff:

- (a) Investigate sentencing and parole trends in Kentucky;
- (b) Determine the effect of these trends on current and future state, county and local corrections;
- (c) Review the full range of sentencing and parole options to include but not limited to: work release, community service, and other alternatives to incarceration;
- (d) Make recommendations concerning sentencing and parole options to the governor and secretary of corrections;
- (e) Provide the corrections commission with an interim report on its findings;
- (f) Propose legislation based on its findings during the 1990 General Assembly.

(3) The members of this task force may request whatever data is necessary to complete this task. The data collection shall be guided by a methodologically sound research design developed in conjunction with professionals with expertise in research and corrections theory and practice.

(4) The members of this committee shall be entitled to necessary expenses and twenty-five thousand dollars (\$25,000) from the General Fund is appropriated to the task force to be used for data collection, analysis, and the preparation of the findings of this study.

Section 3. In order to give the task force the maximum amount of time possible to complete its work, an emergency is declared to exist and this Resolution shall become effective upon its passage and approval by the Governor.

The Committee on Business Organizations and Professions reported **SB 353** and **SB 328** with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 353. AN ACT relating to alcoholic beverages.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 243.230 is amended to read as follows:

(1) Licenses to sell distilled spirits and wine by the drink for consumption on the premises may be issued only for premises located within cities of the first, second or third class, or elsewhere in counties containing a city of the first, second or third class if those counties maintain an adequate police force under KRS 70.540 and KRS 70.150 to 70.170.

(2) Notwithstanding any other provision of law, a special license to sell distilled spirits and wine by the drink for consumption on the premises may be issued for premises located within a city of the fourth class in which the majority of votes cast in the most recent election held pursuant to KRS 242.127 and 242.129 were in favor of the proposition voted upon provided the city has an adequate police force under KRS 95.710 and KRS 95.740 to 95.787.

(3) Licenses to sell distilled spirits or wine by the package may be issued only for premises located within incorporated cities, or elsewhere in counties containing a city of the first, second or third class if those counties maintain an adequate police force under KRS 70.540 and 70.150 to 70.170.

(4) Notwithstanding subsection (3) of this section, the board may, after a field investigation, issue a license to sell distilled spirits and wine by the package at premises not located within any city if:

(a) Substantial aggregations of population would otherwise not have reasonable access to a licensed vendor;

(b) The premises to be licensed under this subsection shall be used exclusively for the sale of distilled spirits and wine by the package and malt beverages, if such premises are licensed to sell malt beverages at retail and shall not be used in any manner, in connection with a dance hall, roadhouse, restaurant, store or any other commercial enterprise, except as a drug store in which a registered pharmacist is employed.

(5) No retail package or drink license for the sale of distilled spirits or wine shall be issued for any premises used as or in connection with the operation of any business in which a substantial part of the commercial transaction consists of selling at retail staple groceries or gasoline and lubricating oil.

(6) *In counties containing a city of the second or third class which do not contain cities of the first class, no license to sell distilled spirits or wine by the package shall be issued for any premises used for the sale of prescription drugs. If a county containing a city of the second or third class shall adopt the urban-county form of government, such change shall not prevent premises then licensed for the sale of distilled spirits or wine by the package from continuing to be so licensed, nor shall such change in the form of county government affect the existing local option status of any area within such a county as well as the existing boundaries of the city and county for any future local option election.*

(7) *This section shall become effective as to licensed premises which are by this section rendered ineligible for a license to sell distilled spirits and wine by the package, upon the expiration of such licenses.*

SB 328. AN ACT relating to confections containing alcohol.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 244 IS CREATED TO READ AS FOLLOWS:

(1) *Notwithstanding any other provision of the statutes, confections or candies having a liquid filling or center and containing more than one percent (1%) but not more than five percent (5%) of alcohol by volume or weight may be sold at premises whether or not licensed under the provisions of KRS 243.030 and 243.040.*

(2) *No confection or candy described in this section shall be sold, given or delivered to any person under twenty-one (21) years of age. Anyone who sells such a confection in violation of this section shall be guilty of unlawful transaction with a minor in the third degree pursuant to KRS 530.070.*

(3) *No confection or candy described in this section shall be sold or offered for sale in this state unless the product has a prominently displayed label containing the statement: "SALE OF THIS PRODUCT TO PERSONS UNDER 21 YEARS OF AGE IS UNLAWFUL."*

The Committee Substitute to **SB 328** is as follows:

SB 328. AN ACT relating to confections containing alcohol.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 244 IS CREATED TO READ AS FOLLOWS:

(1) *Notwithstanding any other provision of the statutes, confections or candies having a liquid filling or liquid center and containing more than one-half percent (1/2%) but not more than five percent (5%) of alcohol by volume or weight may be sold at premises whether or not licensed under the provisions of KRS 243.030 and 243.040.*

(2) *No confection or candy described in this section shall be sold, given or delivered to any person under twenty-one (21) years of age. Any violation of this section shall be considered an unlawful transaction with a minor in the third degree pursuant to KRS 530.070.*

(3) *No confection or candy described in this section shall be sold or offered for sale in this state unless the product has a prominently displayed label containing the statement: "SALE OF THIS PRODUCT TO PERSONS UNDER 21 YEARS OF AGE IS UNLAWFUL."*

Section 2. KRS 243.155 is amended to read as follows:

(1) A small winery license shall authorize the licensee to perform the following functions, without having to obtain separate licenses:

(a) Manufacture wines and bottle wines produced by that small winery in an amount not to exceed fifty thousand (50,000) gallons in one (1) year;

(b) Serve on the premises complimentary samples of wine produced by it in amounts not to exceed six (6) ounces per patron, provided the small winery is located in wet territory;

(c) Sell wine produced on the premises of the small winery at retail to non-license holders [~~in an amount not to exceed one case per person of each variety of wine produced at such winery~~] provided that the small winery is located in wet territory;

(d) Sell wine produced on the premises of the small winery to wholesale license holders and to retail package or retail drink license holders, provided that the wine has been offered for sale to wholesale license holders and that the wine is sold at the wholesale price to such retail package or retail drink license holders.

(2) In accordance with regulations developed by the board the holder of a small winery license, upon affidavit filed with the board that grapes, grape juice, other fruits, other fruit juices or honey produced in Kentucky are not obtainable, may apply for a permit to import such products. The burden of proof shall be upon the applicant to show that the grapes, grape juice, other fruits, other fruit juices or honey are not available from any other source within the Commonwealth of Kentucky.

(3) If a licensed small winery is located in a dry territory KRS 242.230 to 242.430 shall apply.

(4) This section does not exempt the holder of a small winery license from the provisions of KRS Chapters 241, 242, 243, and 244, nor from the rules of the board as established by administrative regulations, nor from regulation by the board, except as expressly stated in this section.

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bills have been posted for Committee consideration:

Judiciary-Civil: **SB 383.**

State Government: **SB 385.**

Reference of Bills and Resolutions

The Clerk reported the Committee on Committees has referred the following Bills and Resolutions:

Appropriations and Revenue: **SJR 90.**

Banking and Insurance: **SB 393, SCR 115.**

State Government: **SB 385.**

Report of Committees

The Committee on Rules reported **SB 6, SB 119, SB 134, SB 141, SB 147, SB 197, SB 210, SB 213, SB 215, SB 218, SB 225, SB 236, SB 240, SB 242, SB 268, SB 277, SB 284, SB 285, SB 288, SB 304, SB 305, SB 314 and SB 329** have been posted for passage in Orders of the Day, March 24, 1988.

The Committee on Rules reported the following Consent Bills have been posted for passage in Regular Orders of the Day, March 24, 1988: **SB 195, SB 49, SB 180.**

The Committee on Rules reported the following Bill has been recommitted:

Education: **HB 812.**

Representative Stumbo moved that the rules be suspended to waive the three day posting requirement on **SB 385.** Agreed.

Announcements

The Clerk announced the filing of the following Floor Amendments to Bills and Resolutions:

Floor Amendment No. 1 to **SB 99**, by Representative Riner:

Amend printed copy of GA Copy of **SB 99** on page 13, following line 22, to add the following:

"SECTION 2. A NEW SECTION OF KRS CHAPTER 214 IS CREATED TO READ AS FOLLOWS:

Any person convicted of prostitution shall be tested for infection with the human immunodeficiency virus (HIV) or any other identified causative agent of the acquired immune deficiency syndrome. The testing shall consist of such test as may be approved by the U.S. Food and Drug Administration and shall be administered by the local health department of the city or county in which the person was arrested. If the convicted person tests negative for infection, the person shall be issued a document indicating such test results and the date of the results and further the person shall periodically report to the local health department for testing for HIV infection at intervals established by the cabinet for human resources under administrative regulation which shall be issued pursuant to KRS Chapter 13A. If such convicted person tests confirmatory positive for infection, the cabinet for human resources may, under the provisions of KRS 211.080 and 214.020, take whatever steps are necessary to protect the public against the spread of the human immunodeficiency virus or any other identified causative agent of the acquired immune deficiency syndrome.

SECTION 3. A NEW SECTION OF KRS CHAPTER 529 IS CREATED TO READ AS FOLLOWS:

Half of all proceeds of fines collected pursuant to KRS 529.020 shall be placed in a trust and agency account which the cabinet for human resources shall disburse to local health departments solely as reimbursement for the testing of convicted prostitutes for the infection with the human immunodeficiency virus (HIV) or any other causative agent of the acquired immune deficiency syndrome.

SECTION 4. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

Any person required under Section 2 of this Act to be tested for infection with the human immunodeficiency virus or any other identified causative agent of the acquired immune deficiency syndrome and who fails to

report for such testing shall, for the first failure to report, be found guilty of a class A misdemeanor. For each subsequent failure to report for testing, such person shall be found guilty of a class D felony."

Floor Amendment No. 2 to **SB 99**, by Representative Riner:

Amend printed copy of GA copy of **SB 99** on page 13, following line 22, to add the following:

"SECTION 2. A NEW SECTION OF KRS CHAPTER 214 IS CREATED TO READ AS FOLLOWS:

Any person convicted of prostitution shall be tested for infection with the human immunodeficiency virus (HIV) or any other identified causative agent of the acquired immune deficiency syndrome. The testing shall consist of such test as may be approved by the U.S. Food and Drug Administration and shall be administered by the local health department of the city or county in which the person was arrested. If the convicted person tests negative for infection, the person shall be issued a document indicating such test results and the date of the results and further the person shall periodically report to the local health department for testing for HIV infection at intervals established by the cabinet for human resources under administrative regulation which shall be issued pursuant to KRS Chapter 13A. If such convicted person tests confirmatory positive for infection, the cabinet for human resources may, under the provisions of KRS 211.080 and 214.020, take whatever steps are necessary to protect the public against the spread of the human immunodeficiency virus or any other identified causative agent of the acquired immune deficiency syndrome.

SECTION 3. A NEW SECTION OF KRS CHAPTER 529 IS CREATED TO READ AS FOLLOWS:

Half of all proceeds of fines collected pursuant to KRS 529.020 shall be placed in a trust and agency account which the cabinet for human resources shall disburse to local health departments solely as reimbursement for the testing of convicted prostitutes for the infection with the human immunodeficiency virus (HIV) or any other causative agent of the acquired immune deficiency syndrome.

SECTION 4. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

Any person required under Section 2 of this Act to be tested for infection with the human immunodeficiency virus or any other identified causative agent of the acquired immune deficiency syndrome and who fails to report for such testing shall, for the first failure to report, be found guilty of a class A misdemeanor. For each subsequent failure to report for testing, such person shall be found guilty of a class D felony.

SECTION 5. A NEW SECTION OF KRS CHAPTER 529 IS CREATED TO READ AS FOLLOWS:

(1) A person is guilty of patronizing a prostitute when, as a patron, he engages or agrees or offers to engage in sexual conduct with another person in return for a fee.

(2) Patronizing a prostitute is a Class B misdemeanor."

Floor Title Amendment to **SB 99**, by Representative Riner:

Amend printed copy of GA Copy of **SB 99** - title, to delete the same and to insert in lieu thereof "AN ACT relating to crimes and punishments."

Floor Amendment No. 1 to **SB 119**, by Representative Barrows:

Amend printed copy of **SB 119** on page 4, lines 14 through 16, by deleting those lines in their entirety and inserting in lieu thereof the following: "a position [~~created~~] for which specific federal funding has been provided for a specific project or service for a limited period of time. The project, service and position [~~the specific purpose of providing public service employment or one-time special or research project services for a limited period of~~"; and

On page 4, line 17, by striking through and placing a closing bracket after "time and"; and

On line 18 by adding after the word "provided" the words ". No other type of position filled prior to

or on the effective date of this Act with an appointee or an employee who is to be or is being paid either partially or totally with federal funds shall be reallocated to or reclassified as a federally funded time-limited position" and

On page 6, line 11, by bracketing and striking through the words "an employee" and inserting in lieu thereof the words "*a position*"; and

On line 12, by bracketing and striking through the word "employee" and inserting in lieu thereof the word "*position*".

Floor Amendment No. 1 to Committee Substitute to **SB 130**, by Representative Morris:

Amend printed copy of **SB 130/HCS** on page 1, after line 13, by inserting the following:

Section 2. It is proposed that Section 30 of the Kentucky Constitution be amended to read as follows:

Members of the House of Representatives and Senators shall be elected at the general election in even-numbered years for terms of *six* ~~four~~ years for Senators and *four* ~~two~~ years for members of the House of Representatives. The term of office of Representatives and Senators shall begin upon the first day of January of the year succeeding their election.

Section 3. It is proposed that Section 31 of the Kentucky Constitution be amended to read as follows:

At the general election to be held in November, *nineteen hundred and eighty-eight* ~~[1984]~~, and in even-numbered ~~[every two]~~ years thereafter, there shall be elected for *six* ~~four~~ years one Senator in each Senatorial District in which the term of his predecessor in office will then expire and *for four years one Representative* in every Representative District *in which the term of his predecessor in office will then expire* ~~[one Representative for two years]~~.

Section 4. It is proposed that Section 95 of the Constitution of Kentucky be amended to read as follows:

The election under this Constitution for Governor, Lieutenant Governor, Treasurer, Auditor of Public Accounts, Register of the Land Office, Attorney-General, Secretary of State, Superintendent of Public Instruction, and Commissioner of Agriculture, Labor and Statistics, shall be held on the first Tuesday after the first Monday in November, *nineteen* ~~[eighteen]~~ hundred and *ninety-two* ~~[ninety-five]~~, and the same day every four years thereafter.

Section 5. It is proposed that Section 97 of the Constitution of Kentucky be amended to read as follows:

~~[At the general election in eighteen hundred and ninety-two there shall be elected in each circuit court district a Commonwealth's Attorney, and in each county a Clerk of the Circuit Court, who shall enter upon the discharge of the duties of their respective offices on the first Monday in January after their election, and shall hold their offices five years, and until their successors are elected and qualified.]~~ In the year *nineteen* ~~[eighteen]~~ hundred and *ninety-four* ~~[ninety-seven]~~, and every six years thereafter, there shall be an election in each county for a Circuit Court Clerk, and for a Commonwealth's Attorney, in each circuit court district, unless that office be abolished, who shall hold their respective offices for six years from the first Monday in January after their election, and until the election and qualification of their successors.

Section 6. It is proposed that Section 99 of the Constitution of Kentucky be amended to read as follows:

At the general election in nineteen hundred and ninety-four and every four years thereafter, there shall be elected in each county a Judge of the County Court, a County Court Clerk, a County Attorney, Sheriff, Jailer, Coroner, Surveyor and Assessor, and in each Justice's District one Justice of the Peace and one Constable, who shall enter upon the discharge of the duties of their offices on the first Monday in January after their election, and who shall hold their offices four years until the election and qualification of their successors.

Section 7. It is proposed that Section 148 of the Constitution of Kentucky be amended to read as follows:

Not more than one election each year shall be held in this State or in any city, town, district, or county

thereof, except as otherwise provided in this Constitution. All *regular* elections of State, county, city, town or district officers shall be held on the first Tuesday after the first Monday in November 1990 and in even-numbered years thereafter [~~but no officer of any city, town, or county, or of any subdivision thereof, except members of municipal legislative boards, shall be elected in the same year in which members of the House of Representatives of the United States are elected. District or State officers, including members of the General Assembly, may be elected in the same year in which members of the House of Representatives of the United States are elected~~]. All elections by the people shall be between the hours of six o'clock a.m. and seven o'clock p.m., but the General Assembly may change said hours, and all officers of any election shall be residents and voters in the precinct in which they act. The General Assembly shall provide by law that all employers shall allow employees, under reasonable regulations, at least four hours on election days, in which to cast their votes.

Section 8. It is proposed that Section 160 of the Constitution of Kentucky be amended to read as follows:

The Mayor or Chief Executive, Police Judges, members of legislative boards or councils of towns and cities shall be elected by the qualified voters thereof: Provided, The Mayor or Chief Executive and Police Judges of the towns of the fourth, fifth and sixth classes may be appointed or elected as provided by law. The terms of office of Mayors or Chief Executives and Police Judges shall be four years, and until their successors shall be qualified, and of members of legislative boards, *four* [~~two~~] years. When any city of the first or second class is divided into wards or districts, members of legislative boards shall be elected at large by the qualified voters of said city, but so selected that an equal proportion thereof shall reside in each of the said wards or districts; but when in any city of the first, second or third class, there are two legislative boards, the less numerous shall be selected from and elected by the voters at large of said city; but other officers of towns or cities shall be elected by the qualified voters therein, or appointed by the local authorities thereof, as the General Assembly may, by a general law, provide; but when elected by the voters of a town or city, their terms of office shall be four years, and until their successors shall be qualified. No Mayor or Chief Executive of any city of the first or second class, after the expiration of three successive terms of office to which he has been elected under this Constitution shall be eligible for the succeeding term. No fiscal officer of any city of the first or second class, after the expiration of the term of office to which he has been elected under this Constitution, shall be eligible for the succeeding term. "Fiscal officer" shall not include an Auditor or Assessor, or any other officer whose chief duty is not the collection or holding of public moneys. The General Assembly shall prescribe the qualifications of all officers of towns and cities, the manner in and causes for which they may be removed from office, and how vacancies in such offices may be filled.

Section 9. It is proposed that Section 209 of the Constitution of Kentucky be amended to read as follows:

A commission is hereby established, to be known as "The Railroad Commission," which shall be composed of three Commissioners. [~~During the session of the General Assembly which convenes in December, eighteen hundred and ninety-one, and before the first day of June, eighteen hundred and ninety-two, the Governor shall appoint, by and with the advice and consent of the Senate, said three Commissioners, one from each Superior Court District as now established, and said appointees shall take their office at the expiration of the terms of the present incumbents. The Commissioners so appointed shall continue in office during the term of the present Governor, and until their successors are elected and qualified.~~] At the regular election in *nineteen* [~~eighteen~~] hundred and *ninety-two* [~~ninety-five~~] and every four years thereafter the Commissioners shall be elected, one in each Superior Court District, by the qualified voters thereof, at the same time and for the same term as the Governor. No person shall be eligible to said office unless he be, at the time of his election, at least thirty years of age, a citizen of Kentucky two years, and a resident of the district from which he is chosen one year, next preceding his election. Any vacancy in this office shall be filled as provided in section 152 of this Constitution. The General Assembly may from time to time change said districts so as to equalize the population thereof; and may, if deemed expedient, require that the Commissioners be all elected by the qualified voters of the State at large. And if so required, one Commissioner shall be from each District. No person in the service of any railroad or common carrier company or corporation, or of any firm or association conducting business as a common carrier, or in anywise pecuniarily interested in such company, corporation, firm or association, or in the railroad business, or as a common carrier, shall hold such office. The powers and duties of the Railroad Commissioners shall be regulated by law; and, until otherwise provided by law, the Commission so created shall have the same powers and jurisdiction, perform the same duties, be subject to the same regulations, and receive the same compensation, as now conferred, prescribed and allowed by law to the existing Railroad Commissioners. The General Assembly may, for cause, address any of said Commissioners out of office by similar proceedings as in the case of Judges of the Court of Appeals; and the General Assembly shall enact laws to prevent the nonfeasance and misfeasance in office of said Commissioners, and to impose proper penalties therefor.

Section 10. It is proposed that Section 256 of the Constitution of Kentucky be amended to read as follows:

Amendments to ~~this~~ Constitution may be proposed in either House of the General Assembly at a regular session, and if such amendment or amendments shall be agreed to by three-fifths of all the members elected to each House, such ~~proposed~~ amendment or amendments, with the yeas and nays of the members of each House taken thereon, shall be entered in full in their respective journals. Then such proposed amendment or amendments shall be submitted to the voters of the State for their ratification or rejection at the next general election [~~for members of the House of Representatives~~], the vote to be taken thereon in such manner as the General Assembly may provide, and to be certified by the officers of election to the Secretary of State in such manner as shall be provided by law, which vote shall be compared and certified by the same board authorized by law to compare the polls and give certificates of election to officers for the State at large. If it shall appear that a majority of the votes cast for and against an amendment at said election was for the amendment, then the same shall become a part of the Constitution of this Commonwealth, and shall be so proclaimed by the Governor, and published in such manner as the General Assembly may direct. Said amendments shall not be submitted at an election which occurs less than ninety days from the final passage of such proposed amendment or amendments. Not more than four amendments shall be voted upon at any one time. If two or more amendments shall be submitted at the same time, they shall be submitted in such manner that the electors shall vote for or against each of such amendments separately, but an amendment may relate to a single subject or to related subject matters and may amend or modify as many articles and as many sections of the Constitution as may be necessary and appropriate in order to accomplish the objectives of the amendment. The approval of the Governor shall not be necessary to any bill, order, resolution or vote of the General Assembly, proposing an amendment or amendments to this Constitution.

Section 11. It is proposed that the present Constitution of Kentucky be amended by repealing present Section 167 - Time of election of city officers and police judges; election years.

Section 12. It is further proposed as a part of this amendment and as a schedule of transitional provisions, for the purposes of this amendment, any other provision of the Kentucky Constitution notwithstanding:

(1) The term of office of governor; lieutenant governor; treasurer; auditor of public accounts; register of the land office; attorney general; secretary of state; superintendent of public instruction; commissioner of agriculture, labor and statistics; and railroad commissioners who were elected in 1987 shall serve a term of five years.

(2) The term of office of state senators who were elected in 1986 and who are elected in 1988 shall be for a term of six years.

(3) The term of office of state representatives who are elected in 1988 shall be for a four-year term.

(4) The term of office of court of appeals judges and of circuit court judges who were elected in 1983 shall be for a nine-year term.

(5) The term of office of commonwealth's attorneys and circuit court clerks who were elected in 1987 shall be for a term of seven years.

(6) The term of office of judge of the county court, county court clerk, county attorney, sheriff, jailer, coroner, surveyor, assessor, justice of the peace, and constable, who will be elected in 1989 shall be for a five-year term.

(7) The term of office of county commissioners who were elected in 1985 and in 1987 shall be for a five-year term.

(8) The term of office of mayors who were elected in 1987 shall be for a five-year term.

(9) The term of office of mayors who shall be elected in 1989 shall be for a five-year term.

(10) The term of office of municipal legislative body members who were elected in 1987 and who shall be elected in 1989 shall be for a five-year term.

(11) The term of office of any other elected official who is serving in office on the effective date of this amendment and whose term of office is scheduled to expire so that the office is scheduled to be on the ballot for reelection in an odd-numbered year shall have only that term of office extended for one year so that

the election to be conducted for the office shall be conducted in an even-numbered year.”; and

On page 11, line 10, by deleting “Section 12.” and inserting in lieu thereof “Section 13.”

Floor Amendment No. 1 to **SB 158**, by Representative Maggard:

Amend printed copy of **SB 158** to delete Section 3 in its entirety and number the following sections accordingly:

On page 3, line 11, delete the word “*nutritionists*”;

On page 3, line 12, delete the words “*Two (2)*” and add the words “*Four (4)*” instead;

On page 3, line 13-14, after the comma, delete the words “*two (2) members shall be certified nutritionists*”;

On page 3, line 21, delete the word “*nutritionist*” and insert the word “*dietitian*”;

On page 4, line 2, after the word “*dietitians*” delete the words “*and to certified nutritionists*”;

On page 5, line 2, delete the words “*or a nutritionist*”;

On page 5, line 3, delete the words “*and nutritionists*”;

On page 5, line 5-6, delete the words “*or Section 3*”;

On page 5, line 8-9, delete the words “*or certified nutritionist*”; and

On page 6, line 2, delete the words “*or certified nutritionist*”.

Floor Amendment No. 4 to **SB 202**, by Representative K. Harper:

Amend printed copy of GA Copy of **SB 202** on page 29, following line 24, insert the following:

“Section 14. KRS 103.286 is amended to read as follows:

(1) The Kentucky *private activity* [~~industrial development~~] bond allocation committee is established. The purpose of the committee *shall be* [~~is~~] to ensure compliance by the Commonwealth, its political subdivisions, and other authorized issuers within the Commonwealth of Kentucky, of [~~the~~] private activity bonds, [~~as~~] as defined in the Internal Revenue Code of the United States, with the state ceiling on the issuance of *the* [~~such~~] bonds imposed by the [~~Act of Congress commonly known as the~~] Tax Reform Act of 1986 [~~1984~~], 26 U.S.C. sec. 146 [~~103(n)~~]. The committee shall be attached to the finance and administration cabinet for administrative purposes and staff services. The committee shall be composed of the secretary of finance, who shall be chairman of the committee; the secretary of the commerce cabinet; the state budget director; the executive director of the office for program administration; and the chairman of the industrial revenue bond oversight committee, or their respective designees.

(2) *The committee shall attempt to allocate the state ceiling of Kentucky in order to best effectuate the issuance of such bonds, foster economic development within the Commonwealth, and promote the general welfare of its citizens and the public purposes of the Commonwealth.*

(a) *During the period of January 1 to September 30 of each year, the committee shall provide that no less than sixty percent (60%) of the private activity cap be reserved for local bond issuance authorities.*

(b) *As of October 1 of each calendar year the remaining unallocated cap shall revert to a single pool to be allocated on a first-come, first-serve basis to state and local governments.*

(3) The secretary of finance *shall* [~~may~~] promulgate regulations in accordance with KRS Chapter 13A,

to provide for the allocation of the state ceiling on private activity bonds among all issuers of ~~the [such] bonds within the Commonwealth of Kentucky[, in order to maximize utilization of the state ceiling, to foster economic development within the Commonwealth, and promote the general welfare of its citizens, and the public purposes of the Commonwealth, regardless of whether such issuers are at the state or local level].~~

(4) No ~~[such]~~ bonds governed by KRS 103.286 shall be issued that are not in compliance with the state ceiling, subsections (3)(a) and (b) of this section or ~~[and]~~ with the allocation, application or review procedures established by the secretary of finance.

Section 15. KRS 103.287, Legislative finding of fact — Governor to prescribe most appropriate formula for allocation of state ceiling on issuance of private activity bonds, is repealed.”

Floor Title Amendment to **SB 202**, by Representative K, Harper;

Amend printed copy of GA Copy of **SB 202** by amending the title to read as follows:

“An Act relating to bond authorities and allocation.”

Floor Amendment No. 1 to **SB 215**, by Representative Overstreet:

Amend printed copy of GA Copy of **SB 215** after line 5, by adding the following:

“SECTION 2. A NEW SECTION OF KRS CHAPTER 174 IS CREATED TO READ AS FOLLOWS:

Any position in the transportation cabinet filled by any employe who functions as legislative liasion during the time the Kentucky general assembly is in regular, organizational, or extraordinary session shall cease to exist upon sine die of the Kentucky general assembly.”

Floor Amendment No. 1 to **SB 224**, by Representative Heleringer:

Amend printed copy of GA Copy of **SB 224** on page 3, after line 10, by adding the following:

“(5) The number of deputy coroners in a county shall not exceed one (1) for each twenty-five thousand (25,000) inhabitants, or fraction thereof, according to the most recent federal census.”.

Floor Amendment No. 1 to Committee Substitute to **SB 235**, by Representative Pritchett:

Amend printed copy of **SB 235** House Committee Substitute, on page 53, line 18,

By inserting the following new section:

“Section 44. KRS 318.010 is amended to read as follows:

As used in this chapter, unless the context requires otherwise:

(1) “Department” means department of housing, buildings and construction;

(2) “Journeyman plumber” means a person who engages or offers to engage, either as an occupation or otherwise, in the construction, installation, alteration, maintenance, repair, remodeling or removal, and replacement of plumbing under the supervision, direction and responsibility of a master plumber;

(3) “Master plumber” means a person who assumes responsible charge, supervision or direction of journeyman plumbers, plumbers’ apprentices and other persons in the construction, installation or alteration of plumbing or who engages in, offers to engage in or advertises or otherwise represents that he is permitted or qualified to engage in the design, planning, superintending, contracting for or responsible charge of plumbing;

(4) “Plumbing” means the art of installing in buildings the pipes for distributing the water supply, the

fixtures for using water and drainage pipes for removing waste water and sewage, together with fittings, appurtenances, and appliances of various kinds, all within or adjacent to the building. It shall not include the installation of on-site sewage disposal systems, except for the piping, fixtures, or other appurtenances needed within the building. It shall include:

(a) The water service pipe which forms the connection between the property line and the building, other than piping serving fire-fighting equipment;

(b) Private water supply systems;

(c) House sewers which convey the waste water and sewage from the building to the property line or other points of disposal, but not including sewers located between manholes and sewers extending five (5) feet from a main or manhole on private property; and

(d) Storm sewers and rain water piping located within a building to a point two (2) feet outside of the building;

(5) "Public building" means any building intended for public use or built with public funds and includes but is not limited to the following: schools, industrial establishments, housing projects, restaurants, food-handling establishments, private clubs, theaters including drive-ins, trailer coach parks, camping areas, hospitals, nursing homes, hotels, motels, tourist courts, rooming houses, boarding houses, and other establishments furnishing public sleeping accommodations;

(6) "Maintenance man" means a person employed to maintain and keep plumbing in good repair;

(7) "Apprentice" means a person in the process of learning the plumbing trade who assists and is under the personal supervision of a licensed master or licensed journeyman plumber;

(8) "Farmstead" means a farm dwelling together with other farm buildings and structures incident to the operation and maintenance of the farm situated on ten (10) acres or more of land which is located outside the corporate limits of a municipality. *A farmstead residence that connects to a public water supply after the effective date of this Act, shall at the expense of the farmstead owner, install a department approved backflow prevention device on the water service line. The device shall be maintained by the farmstead owner and the device and water service line shall be inspected by the department according to code;*

(9) "Person" means any individual, public or private corporation, political subdivision, government agency, municipality, co-partnership, association, firm, trust, estate, or other entity whatsoever;

(10) "Commissioner" means the commissioner of the department of housing, buildings and construction; and

(11) "Code" means the Kentucky state plumbing code."

And on page 53, line 18,

By renumbering "Section 44." as "Section 45."

Floor Amendment No. 2 to Committee Substitute to **SB 235**, by Representative Scorsone:

Amend printed copy of **SB 235**, House Committee Substitute, on page 53, line 18,

By inserting the following new sections:

"SECTION 44. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

As used in Sections 44 to 53 of this Act unless the context otherwise requires:

(1) "Attending physician" means the physician who has primary responsibility for the treatment and care of the patient.

(2) "Declaration" means a writing executed in accordance with the requirements of Section 45 of this Act.

(3) "Health-care provider" means a person who is licensed, certified, or otherwise authorized by the law of this state to administer health care in the ordinary course of business or practice of a profession.

(4) "Life-prolonging treatment" means any medical procedure or intervention that, when administered to a qualified patient, will serve only to prolong the process of dying. The term life-prolonging treatment does not apply to food and water.

(5) "Person" means an individual, corporation, business trust, estate, trust, partnership, association, joint venture, government, governmental subdivision or agency, or any other legal or commercial entity.

(6) "Physician" means an individual duly licensed to practice medicine pursuant to KRS Chapter 311.

(7) "Qualified patient" means a patient eighteen (18) or more years of age who has executed a declaration and who has been determined by two (2) physicians, one (1) of whom shall be the attending physician, to be in a terminal condition.

(8) "State" means a state, territory, or possession of the United States, the District of Columbia, or the Commonwealth of Puerto Rico.

(9) "Terminal condition" means an incurable or irreversible condition that, without the administration of life-prolonging treatment, will, in the opinion of two (2) physicians, one (1) of whom shall be the attending physician, result in death within a relatively short time.

SECTION 45. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

(1) An individual of sound mind and who is eighteen (18) years of age or over may execute at any time a declaration governing the withholding or withdrawal of life-prolonging treatment. The declaration shall be signed by the declarant, witnessed by two (2) individuals, and notarized.

(2) A declaration may, but need not, be in the following form:

DECLARATION

If I should have an incurable or irreversible condition that will cause my death within a relatively short time, and I am no longer able to make decisions regarding my medical treatment, I direct my attending physician, pursuant to the Rights of the Terminally Ill Act of the Commonwealth, to withhold or withdraw treatment that only prolongs the process of dying and is not necessary to my comfort or to alleviate pain.

Signed this ____ day of _____

Signature

Address

The declarant voluntarily signed this writing in my presence.

Witness

Address

Witness

Address

Notary Public

Date My Commission Expires

(3) A physician or other health-care provider who is furnished a copy of the declaration shall make it a part of the declarant's medical record and, if unwilling to comply with the declaration, promptly so advise the declarant.

SECTION 46. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

(1) A declaration becomes operative when:

(a) It is communicated to the attending physician; and

(b) The declarant is determined by two (2) physicians, one (1) of whom shall be the attending physician, to be in a terminal condition and no longer able to make decisions regarding administration of life-prolonging treatment. When the declaration becomes operative, the attending physician and other health-care providers shall act in accordance with its provisions or comply with the transfer provisions of Section 47(4) of this Act.

(2) A declaration may be revoked at any time and in any manner by the declarant, without regard to the declarant's mental or physical condition. A revocation is effective upon communication to the attending physician or other health-care provider by the declarant or a witness to the revocation.

(3) The attending physician or other health-care provider shall make the revocation a part of the declarant's medical record.

(4) Upon determining that the declarant is in a terminal condition, the attending physician who knows of a declaration shall record the determination and the terms of the declaration in the declarant's medical record.

SECTION 47. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

(1) A qualified patient may make decisions regarding life-prolonging treatment as long as the patient is able to do so.

(2) Sections 44 to 53 of this Act shall not affect the responsibility of the attending physician or other health-care provider to provide treatment, in accordance with reasonable standards of medical practice, for a patient's comfort care or alleviation of pain.

(3) Unless the declaration otherwise provides, the declaration of a qualified patient known to the attending physician to be pregnant shall not be given effect.

(4) An attending physician or other health-care provider who is unwilling to comply with Sections 44 to 53 of this Act shall as promptly as practicable take all reasonable steps to transfer care of the declarant to another physician or health-care provider.

(5) In the absence of knowledge of the revocation of a declaration, a person shall not be subject to civil or criminal liability or discipline for unprofessional conduct for carrying out the declaration pursuant to the

requirements of Sections 44 to 53 of this Act.

(6) A physician or other health-care provider, whose actions under Sections 44 to 53 of this Act are in accord with reasonable medical standards, shall not be subject to criminal or civil liability or discipline for unprofessional conduct with respect to those actions.

SECTION 48. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

(1) Death resulting from the withholding or withdrawal of life-prolonging treatment pursuant to a declaration and in accordance with Sections 44 to 53 of this Act shall not constitute, for any purpose a suicide or homicide.

(2) The making of a declaration pursuant to Section 45 of this Act shall not affect in any manner the sale, procurement, or issuance of any policy of life insurance or annuity, nor shall it affect, impair, or modify the terms of an existing policy of life insurance or annuity. A policy of life insurance or annuity shall not be legally impaired or invalidated in any manner by the withholding or withdrawal of life-prolonging treatment from an insured qualified patient, notwithstanding any term to the contrary.

(3) A person may not prohibit or require the execution of a declaration as a condition for being insured for, or receiving, health-care services.

(4) Sections 44 to 53 of this Act creates no presumption concerning the intention of an individual who has revoked or has not executed a declaration with respect to the use, withholding, or withdrawal of life-prolonging treatment in the event of a terminal condition.

(5) Sections 44 to 53 of this Act shall not affect the right of a patient to make decisions regarding use of life-sustaining treatment, so long as the patient is able to do so, or impair or supersede any right or responsibility that a person has to effect the withholding or withdrawal of medical care.

(6) Sections 44 to 53 of this Act shall not require any physician or other health-care provider to take any action contrary to reasonable medical standards.

(7) Sections 44 to 53 of this Act shall not condone, authorize, or approve mercy-killing or euthanasia.

SECTION 49. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

In the absence of knowledge to the contrary, a physician or other health-care provider may presume that a declaration complies with Sections 44 to 53 of this Act and is valid.

SECTION 50. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

(1) A declaration executed in another state in compliance with the law of that state or of the Commonwealth is validly executed for purposes of Sections 44 to 53 of this Act.

(2) An instrument executed before the effective date of this Act which substantially complies with Section 45(1) of this Act shall be given effect pursuant to the provisions of Sections 45 to 53 of this Act.

SECTION 51. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

Sections 44 to 53 of this Act shall be applied and construed to effectuate its general purpose to make uniform the law with respect to the subject of Sections 44 to 53 of this Act among states enacting it.

SECTION 52. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

Sections 44 to 53 of this Act may be cited as the Uniform Rights of the Terminally Ill Act.

SECTION 53. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

(1) A physician or other health-care provider who willfully fails to transfer in accordance with Section 47(4) of this Act is guilty of a Class B misdemeanor.

(2) A physician who willfully fails to record the determination of terminal condition in accordance with Section 46(4) of this Act is guilty of a Class B misdemeanor.

(3) An individual who willfully conceals, cancels, defaces, or obliterates the declaration of another without the declarant's consent or who falsifies or forges a revocation of the declaration of another is guilty of a Class B misdemeanor.

(4) An individual who falsifies or forges the declaration of another, or willfully conceals or withholds personal knowledge of a revocation as provided in Section 46(2) and (3) of this Act, is guilty of a Class B misdemeanor.

(5) A person who requires or prohibits the execution of a declaration as a condition for being insured for, or receiving, health-care services is guilty of a Class B misdemeanor.

(6) A person who coerces or fraudulently induces another to execute a declaration under Sections 44 to 53 of this Act is guilty of a Class B misdemeanor.

(7) The sanctions provided in this section shall not displace any sanction applicable under other law."

And on page 53, line 18.

By renumbering "Section 44." as "Section 54."

Floor Amendment No. 3 to Committee Substitute to **SB 235**, by Representative Overstreet:

Amend printed copy of **SB 235**, House Committee Substitute, on page 53, line 18,

By inserting the following new sections:

"SECTION 44. A NEW SECTION OF KRS CHAPTER 237 IS CREATED TO READ AS FOLLOWS:

As used in Sections 44 to 50 of this Act unless the context otherwise requires:

(1) "Alcohol abuser" means an individual who has had two (2) or more alcohol related offenses, any one (1) of which resulted in conviction by a court or treatment in an alcohol abuse facility within three (3) years prior to the date of the application;

(2) "Commissioner" means the commissioner of the Kentucky state police;

(3) "Drug abuser" means an individual who has had two (2) or more violations of KRS Chapter 218A, any one (1) of which resulted in conviction by a court or treatment in a drug abuse facility within five (5) years prior to the date of application;

(4) "Firearm" means any weapon that is capable of or designed to or that may readily be converted to propel a projectile by means of an explosion;

(5) "Handgun" means any firearm:

(a) Designed or adapted so as to be aimed and fired from one (1) hand, regardless of barrel length; or

(b) Any firearm with:

1. A barrel less than sixteen (16) inches in length; or

2. *An overall length of less than twenty-six (26) inches.*
- (6) *"Proper person" means a person who does not:*
 - (a) *Have a conviction for resisting law arrest;*
 - (b) *Have a conviction for a crime for which he could have been sentenced for more than one (1) year;*
 - (c) *Have a record of being an alcohol or drug abuser as defined in Sections 44 to 50 of this Act;*
 - (d) *Have documented evidence which would give rise to reasonable belief that he has a propensity for violent or emotionally unstable conduct;*
 - (e) *Make a false statement of material fact on his application;*
 - (f) *Have a conviction for any crime involving an inability to safely handle a handgun;*
 - (g) *Have a conviction for violation of the provisions of Section 44 to 50 of this Act within five (5) years of his application;*
- (7) *"Proper reason" means for the defense of oneself or the Commonwealth of Kentucky.*

SECTION 45. A NEW SECTION OF KRS CHAPTER 237 IS CREATED TO READ AS FOLLOWS:

- (1) *A person desiring a license to carry a handgun concealed shall apply to:*
 - (a) *The chief of police or corresponding law enforcement officer of the municipality in which he resides;*
 - (b) *If that municipality has no such officer, or if the applicant does not reside in a municipality, to the sheriff of the county in which he resides after he has obtained an application form prescribed by the commissioner.*
- (2) *The law enforcement agency which accepts an application for a concealed handgun license shall collect a ten dollar (\$10.00) application fee, five dollars (\$5.00) of which shall be refunded if the license is not issued. The fee shall be:*
 - (a) *Deposited into the law enforcement agency's firearms training fund or other appropriate training activities fund; and*
 - (b) *Used by the agency exclusively for the purpose of training law enforcement officers in the proper use of firearms or other law enforcement duties.*

The state auditor shall establish rules for the proper accounting and expenditure of funds collected under this subsection.

(3) *The officer to whom the application is made shall ascertain concerning the applicant his name, full address, length of residence in the community, whether his residence is located within the limits of any city or town, occupation, place of business or employment, criminal record, if any, and convictions (minor traffic offenses excepted), age, race, sex, nationality, date of birth, citizenship, height, weight, build, color of hair, color of eyes, scars and marks, whether the applicant has previously held a Kentucky license to carry a concealed handgun and, if so, the serial number of the license and year issued, whether his license has ever been suspended or revoked, and if so, the year and reason for the suspension or revocation, and the applicant's reason for desiring a license. The officer to whom the application is made shall conduct an investigation into the applicant's official records and verify thereby the applicant's character and reputation, and shall in addition verify for accuracy the information contained in the application, and shall forward this information together with his recommendation for approval or disapproval and one (1) set of legible and classifiable fingerprints of the applicant to the commissioner.*

(4) *The commissioner may make whatever further investigation he deems necessary. Whenever disapproval is recommended, the officer to whom the application is made shall provide the commissioner and the applicant with his complete and specific reasons, in writing, for the recommendation of disapproval.*

(5) *If it appears to the commissioner that the applicant has a proper reason for carrying a concealed handgun and is of good character and reputation and a proper person to be so licensed, he shall issue to the applicant a qualified or an unlimited license to carry any handgun lawfully possessed by the applicant. The original license shall be delivered to the licensee. A copy shall be delivered to the officer to whom the application for license was made. A copy shall be retained by the commissioner for at least four (4) years. This license shall be valid for a period of four (4) years from the date of issue. The license of police officers, sheriffs or their deputies, and law enforcement officers of the United States government who have been honorably retired by a lawfully created pension board or its equivalent after twenty (20) or more years of service, shall be valid for the life of such individuals. However, such lifetime licenses are automatically revoked if the license holder does not remain a proper person.*

(6) *A license to carry a concealed handgun shall not be issued to any person who has been convicted of a felony or who is under eighteen (18) years of age. The commissioner shall prescribe by administrative regulation all forms to be used in connection with the administration of Sections 44 to 50 of this Act.*

SECTION 46. A NEW SECTION OF KRS CHAPTER 237 IS CREATED TO READ AS FOLLOWS:

(1) *Licenses to carry concealed handguns shall be either qualified or unlimited. A qualified license shall be issued for hunting and target practice. The commissioner may adopt rules imposing limitations on the use and carrying of concealed handguns under a license when handguns are carried by a licensee as a condition of his employment. Unlimited licenses shall be issued for the purpose of the protection of life and property.*

(2) *In addition to the application fee, the fee for a qualified license shall be five dollars (\$5.00), and the fee for an unlimited license shall be fifteen dollars (\$15.00). These fees shall be deposited by the commissioner with the state treasurer. However, police officers, sheriffs or their deputies, and law enforcement officers of this state and the United States who have been honorably retired by a lawfully created pension board or its equivalent after twenty (20) or more years of active service, shall pay no fee for a qualified license or an unlimited license.*

SECTION 47. A NEW SECTION OF KRS CHAPTER 237 IS CREATED TO READ AS FOLLOWS:

(1) *The commissioner may suspend or revoke any license issued under Sections 44 to 50 of this Act if he has reasonable grounds to believe that the person's license should be suspended or revoked.*

(2) *Failure of a person to promptly return his license after written notice of suspension or revocation is a Class A misdemeanor.*

(3) *The commissioner shall establish administrative regulations concerning the procedure for suspending or revoking a person's license.*

SECTION 48. A NEW SECTION OF KRS CHAPTER 237 IS CREATED TO READ AS FOLLOWS:

Every initial application under Sections 44 to 50 of this Act shall be granted or rejected within sixty (60) days after the application is filed. If the application for renewal of an existing license is filed within thirty (30) days of its expiration, the existing license is automatically extended until the application for renewal is passed upon.

Section 49. KRS 527.020 is amended to read as follows:

(1) *A person is guilty of carrying a concealed weapon when he carries concealed a firearm or other deadly weapon on or about his person.*

(2) *Peace officers, when necessary for their protection in the discharge of their official duties; United States mail carriers when actually engaged in their duties; and agents and messengers of express companies, when necessary for their protection in the discharge of their official duties, may carry concealed weapons on or about their person.*

(3) Policemen directly employed by state, county, city or urban-county governments may carry concealed deadly weapons on or about their person at all times within the Commonwealth of Kentucky, when expressly authorized to do so by the government employing the officer.

(4) *Persons authorized by Sections 44 to 47 of this Act may carry concealed handguns at any time and any location within the Commonwealth of Kentucky, unless the terms and conditions of their license specify to the contrary, in which case they may carry concealed handguns according to the terms and conditions of the license.*

(5) A deadly weapon shall not be deemed concealed on or about the person if it is located in a glove compartment, regularly installed in a motor vehicle by its manufacturer regardless of whether said compartment is locked, unlocked, or does not have a locking mechanism.

(6)[(5)] Carrying a concealed weapon is a Class A misdemeanor unless the defendant has been previously convicted of a felony in which a deadly weapon was possessed, used or displayed in which case it is a Class D felony.

SECTION 50. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

All health care facilities licensed pursuant to KRS Chapter 216B and all physicians licensed pursuant to KRS Chapter 311 shall make a report to the cabinet for human resources on forms prescribed by the cabinet, of any person who appears for treatment of a gunshot wound.

And on page 53, line 18,

By renumbering "Section 44." as "Section 51."

Floor Amendment No. 4 to Committee Substitute to SB 235, by Representative Morris:

Amend printed copy of SB 235, House Committee Substitute, on page 53, line 18,

By inserting the following new sections:

"SECTION 44. A NEW SECTION OF KRS CHAPTER 216 IS CREATED TO READ AS FOLLOWS:

As used in Sections 44 and 45 of this Act:

- (1) *"Division" means the division of licensing and regulation within the cabinet for human resources.*
- (2) *"Cabinet" means the cabinet for human resources.*
- (3) *"Secretary" means the secretary for human resources.*

(4) *"Nursing pools" means any person, firm, corporation, partnership, or association engaged for hire in the business of providing or procuring temporary employment in health care facilities for medical personnel including, but not limited to, nurses, nursing assistants, nurses' aides, and orderlies. For purposes of Sections 44 and 45 of this Act, nursing registries shall be considered to be nursing pools. Excluded from this definition are any health-facility-based or in-house pools established to provide services within the confines of such facility or business and any person who only engages in providing his or her own services on a temporary basis to health care facilities.*

SECTION 45. A NEW SECTION OF KRS CHAPTER 216 IS CREATED TO READ AS FOLLOWS:

(1) *No nursing pool shall be operated, maintained, or advertised without obtaining a license as provided in Sections 44 and 45 of this Act.*

(2) *The secretary shall adopt regulations relating to license fees, standards of care and service, and procedures*

for enforcement of penalties.

(3) The established standards of care and services shall at a minimum include:

(a) Written policies and procedures must be maintained by each nursing pool;

(b) Records must be maintained to assure that the criteria promulgated by regulations are being met;

(c) Personnel policies shall be developed which shall include at a minimum: a personal interview, thorough reference check, annual evaluation of employes based on questionnaires developed and sent to hospitals, nursing homes, and other facilities to which medical personnel are sent.

(4) Upon employment or contract with a nursing pool, all medical personnel working in health care facilities shall be required to provide the following: a current negative tuberculin skin test or chest X-ray, a current license or certificate, where applicable, and a current cardiopulmonary resuscitation certification. Further, all medical personnel shall attend an annual infection control in-service and an annual safety in-service.

(5) Only those nursing pools meeting the standards prescribed for licensure by the secretary may be granted a license.

(6) Each application for a license shall be made to the division of licensing and regulation and shall be accompanied by a fee prescribed by the secretary and shall be renewed annually upon expiration and reapplication when accompanied by an additional fee. Licenses and renewals thereof shall expire one (1) year from their effective date.

(7) Any license or application affected by an adverse determination by the division or the secretary shall have the same rights of appeal as set forth in KRS 216.553, 216.567, and 216.570.

(8) All fees collected under the provisions of this Act shall be paid into the state treasury and credited to a fund for the purposes of funding the division.

(9) All inspections of nursing pools by the division shall be unannounced.

Section 46. The provisions of Sections 44 and 45 of this Act shall be effective on January 1, 1989."

On page 53, line 18.

By renumbering "Section 44" as "Section 47"

Floor Title Amendment to **SB 235**, by Representative Burch:

Amend printed copy of **SB 235** by amending the title to read as follows:

"AN ACT relating to public health."

Floor Amendment No. 2 to **SB 244**, by Representative Lear:

Amend printed copy of **SB 244** on page 2, line 3, by inserting after the word "license." the following:

"Section 2. KRS 243.050 is amended to read as follows:

(1) The department may issue a railroad system license to a railroad company upon the payment of a fee of one thousand dollars (\$1,000). This license tax shall be in lieu of all license and excise taxes which would otherwise be due by the holder in connection with the retailing of alcoholic beverages.

(2) The department may issue a commercial airlines system license to a commercial airlines system or charter flight system upon the payment of a fee of \$1,000. This license fee shall be in lieu of all license

and excise taxes which would otherwise be due by the holder in connection with the retailing of alcoholic beverages and the license may be renewed annually for a fee of \$1,000. The license shall authorize the licensee to sell distilled spirits and wine by the drink and by miniature bottle, and malt beverages, upon regularly scheduled or charter flights of the licensee, into and out of the state of Kentucky. The license shall authorize the licensee to store alcoholic beverages for retail sale at a location or locations, if operating from more than one airport in Kentucky, as designated on the license application.

(3) The department may issue a transporter's license to a commercial airline system, a charter flight system, or a commercial cargo system, upon the payment of \$100. This license may be renewed annually for a fee of \$100. The license shall authorize the licensee to transport distilled spirits and wine and malt beverages, into and out of the state of Kentucky, upon regularly scheduled or charter flights of the licensee. The license shall authorize, for the purpose of transportation, the storage of alcoholic beverages at a location or locations, if operating from more than one airport in Kentucky, as designated on the license application. This license shall authorize an airline to transport if both the consignor and consignee in each case are authorized by the laws of the states of their residence to sell, purchase, ship or receive the alcoholic beverages.

(4) Where it is determined by the department to be in the best interest of promoting tourism, conventions and the economic development of Kentucky or any part thereof, the department may issue a supplemental license for the retail sale of alcoholic beverages by the drink at convention centers, at horse race tracks licensed to conduct a race meeting under KRS Chapter 230, and at commercial airports through which more than five hundred thousand (500,000) passengers arrive or depart annually. Upon application by the holder of a retail alcoholic beverage license at a convention center, horse race track or commercial airport as provided above, the department may establish the days when the supplemental license will be valid at the specific location, including Sundays after 1 p.m. The supplemental license fee shall be one thousand dollars (\$1,000) per year and shall be in addition to all other licenses and fees due by the holder in connection with the retailing of alcoholic beverages. The department may by regulation or special conditions of the supplemental permit establish such restrictions on the use of the license as will insure that it will be primarily for the benefit of the convention center business, the horse racing industry, and passengers at large commercial airports. ~~[Provided, however, that no provision of this subsection shall apply to any portion of a county containing an urban county government.]~~

Section 3. KRS 244.480 is amended to read as follows:

(1) Except as provided in subsection (2), no brewer or distributor shall deliver any malt beverages on Sunday or between the hours of 7 p.m. and 6 a.m. on any week day except Saturday, when the hours of deliveries shall be between 6 a.m. and midnight. No retailer shall sell, give away or deliver any malt beverages between midnight and 6 a.m. or at any time during the twenty-four (24) hours of a Sunday or during the hours the polls are open on an election day.

(2) The legislative body of a city of the first, second, third or fourth class in which traffic in malt beverages is permitted by KRS Chapter 242, shall have the exclusive power, subject to subsection (3), by ordinance, to establish the times in which malt beverages may be sold within its jurisdictional boundaries. The fiscal court of each county in which a city of the first, second, third or fourth class is located shall have the exclusive power, subject to subsection (3), to establish the times in which malt beverages may be sold in that portion of the county which lies without the corporate limits of such a city, except any portion in which malt beverages are prohibited by KRS Chapter 242 from being sold.

(3) Notwithstanding subsections (1) and (2):

(a) The hours so fixed by the legislative body of a city of the first, second or third class, and by fiscal courts, shall not prohibit the sale, gift or delivery of any malt beverages between 6 a.m. and midnight during week days; and

(b) No malt beverages shall be sold on any election day while the polls are still open; and

(c) In any county containing a city of the first or second class or in any city located therein or in any county containing an urban county government, in which limited sale of distilled spirits and wine by the drink on Sunday is permitted under KRS 244.290(3) or 244.295(3), the respective legislative body of such areas shall have the power by duly enacted ordinance, to permit the sale of malt beverages by the drink on Sunday from 1 p.m. until a closing hour specified in the ordinance, by hotels, motels, and restaurants which are licensed for the retail sale of malt beverages by the drink and which have dining facilities with a minimum seating

capacity of one hundred (100) people at tables and which receive at least fifty percent (50%) or more of their gross annual income from their dining facilities by the sale of food. A special Sunday malt beverage retailer's license may be issued by the legislative body, provided that the total cost for such license and for a regular malt beverage retailer's license shall not exceed twice the amount of the fee imposed in KRS 243.040(3) in the case of counties or urban county governments pursuant to KRS 243.060(1) and shall not exceed two hundred dollars (\$200.00) in the case of cities pursuant to KRS 243.070."

"Section 4. KRS 243.060 is amended to read as follows:

(1) The fiscal court of each county in which traffic in alcoholic beverages is not prohibited under KRS Chapter 242 may impose license fees for the privilege of trafficking in alcoholic beverages. Only such licenses may be issued as correspond, in their provisions and the business authorized, to distilled spirits and wine retail package licenses, distilled spirits and wine retail drink licenses, restaurant wine licenses, ~~and~~ malt beverage retailers' licenses and such other special licenses as the state board has provided for by regulation. The license fees shall not exceed twice the amount of the fees imposed in KRS 243.030 and 243.040 or by regulation for such licenses except that the fee for a Sunday distilled spirits and wine retail drink license shall not exceed three hundred dollars (\$300).

(2) Any amount paid to any city within the county as a license fee for the same privilege for the same year may be credited against the county license fee.

(3) If any part of this section is held invalid, all of this section and of KRS 243.600 shall also be considered invalid.

Section 3. KRS 243.070 is amended to read as follows:

The city legislative body of any city in which traffic in alcoholic beverages is not prohibited under KRS Chapter 242 may impose license fees for the privilege of manufacturing and trafficking in alcoholic beverages. Only such licenses may be issued as correspond, in their provisions and the business authorized, to the licenses provided for in subsections (1), (2), (3), (6), (7), (8), (16), (17), (18) and (19) of KRS 243.030, ~~and~~ subsections (1), (2), (3), (4) and (7) of KRS 243.040 and such other special licenses as the state board has provided for by regulation. The fees imposed shall not exceed twice the amount of the fees imposed in KRS 243.030 and 243.040 or by regulation for such licenses, except that the fee for a Sunday distilled spirits and wine retail drink license shall not exceed three hundred dollars (\$300), the fee for a malt beverage retailer's license may be fixed at not exceeding two hundred dollars (\$200), the fee for a brewer's license shall not exceed five hundred dollars (\$500), and the fee for a distiller's license shall not exceed five hundred dollars (\$500).

Floor Amendment No. 3 to **SB 244**, by Representative LeMaster:

Amend printed copy of **SB 244** by adding on page 2, after line 3, the following:

Section 2. KRS 243.155 is amended to read as follows:

(1) A small winery license shall authorize the licensee to perform the following functions, without having to obtain separate licenses:

(a) Manufacture wines and bottle wines produced by that small winery in an amount not to exceed fifty thousand (50,000) gallons in one (1) year;

(b) Serve on the premises complimentary samples of wine produced by it in amounts not to exceed six (6) ounces per patron, provided the small winery is located in wet territory;

(c) Sell wine produced on the premises of the small winery at retail to non-license holders ~~[in an amount not to exceed one case per person of each variety of wine produced at such winery]~~ provided that the small winery is located in wet territory;

(d) Sell wine produced on the premises of the small winery to wholesale license holders and to retail package or retail drink license holders, provided that the wine has been offered for sale to wholesale license holders and that the wine is sold at the wholesale price to such retail package or retail drink license holders.

(2) In accordance with regulations developed by the board the holder of a small winery license, upon affidavit filed with the board that grapes, grape juice, other fruits, other fruit juices or honey produced in Kentucky are not obtainable, may apply for a permit to import such products. The burden of proof shall be upon the applicant to show that the grapes, grape juice, other fruits, other fruit juices or honey are not available from any other source within the Commonwealth of Kentucky.

(3) If a licensed small winery is located in a dry territory KRS 242.230 to 242.430 shall apply.

(4) This section does not exempt the holder of a small winery license from the provisions of KRS Chapters 241, 242, 243, and 244, nor from the rules of the board as established by administrative regulations, nor from regulation by the board, except as expressly stated in this section.

Floor Amendment No. 1 to **SB 264**, by Representative Morris:

Amend printed copy of GA copy of **SB 264** on page 53, line 3.

By adding the following new section:

"SECTION 30: KRS CHAPTER 216B IS AMENDED TO READ AS FOLLOWS:

Except as otherwise provided, for purposes of this chapter, the following definitions shall apply:

(1) "Administrative regulation" means a regulation adopted and promulgated pursuant to the procedures in KRS Chapter 13.

(2) "Affected persons" means the applicant; any person residing within the geographic area served or to be served by the applicant; any person who regularly uses health facilities within that geographic area; health facilities located in the health service area in which the project is proposed to be located which provide services similar to the services of the facility under review; health facilities which, prior to receipt by the agency of the proposal being reviewed, have formally indicated an intention to provide similar services in the future; the cabinet and third party payors who reimburse health facilities for services in the health service area in which the project is proposed to be located.

(3) "Applicant" means any person, health facility, or health service requesting a certificate of need or license.

(4) "Board" means the Kentucky health facilities and health services certificate of need and licensure board.

(5) "Capital expenditure" means an expenditure made by or on behalf of a health facility which:

(a) Under generally accepted accounting principles is not properly chargeable as an expense of operation and maintenance; or

(b) Is made to obtain by lease or comparable arrangement any facility or part thereof or any equipment for a facility or part thereof.

(6) "Capital expenditure minimum" means *two million dollars (\$2,000,000)* [~~six hundred thousand dollars (\$600,000)~~] for the twelve (12) month period beginning July 15, 1980 and as adjusted annually thereafter. In determining whether an expenditure exceeds the expenditure minimum, the cost of any studies, surveys, designs, plans, working drawings, specifications, and other activities essential to the improvement, expansion, or replacement of any plant or any equipment with respect to which the expenditure is made shall be included. Donations of equipment or facilities to a health facility which if acquired directly by such facility would be subject to review under this chapter shall be considered a capital expenditure, and a transfer of the equipment or facilities for less than fair market value shall be considered a capital expenditure if a transfer of the equipment or facilities at fair market value would be subject to review.

(7) "Certificate of need" means an authorization by the board to proceed to acquire, to establish, to offer, to substantially change the bed capacity or to substantially change a health service as covered by this chapter.

(8) "Cabinet" means the cabinet for human resources which functions as the state health planning and development agency.

(9) "Federal act" means the National Health Planning Resources Development Act of 1974, P.L. 93-641, and subsequent amendments.

(10) "Formal review process" means the ninety (90) day certificate of need review conducted by the board.

(11) "Health facility" means any institution, place, building, agency or portion thereof, public or private, whether organized for profit or not, used, operated or designed to provide medical diagnosis, treatment, nursing, rehabilitative or preventive care and includes alcohol abuse, drug abuse, and mental health services. This shall include, but shall not be limited to health facilities and health services commonly referred to as hospitals, psychiatric hospitals, tuberculosis hospitals, skilled nursing facilities, nursing homes, personal care homes, intermediate care facilities, family care homes, primary care centers, rural health clinics, outpatient clinics, ambulatory care facilities, ambulatory surgical centers, emergency care centers and services, ambulance services, non-emergency health transportation services, hospices, community mental health and mental retardation centers, home health agencies, kidney disease treatment centers and free standing hemodialysis units, health maintenance organizations, and others providing similarly organized services regardless of nomenclature.

(12) "Health maintenance organization" means a public or private organization, organized under KRS 304.38-010 to 304.38-200, which:

(a) Is a qualified health maintenance organization under the federal act; or

(b) 1. Provides or otherwise makes available to enrolled participants health services, including at least the following basic health services: usual physician services, hospitalization, laboratory, x-ray, emergency and preventive services, and out of area coverage;

2. Is compensated (except for co-payments) for the provision of the basic health services listed in subparagraph 1. of this paragraph to enrolled participants by a payment which is paid on a periodic basis without regard to the date the health services are provided and which is fixed without regard to the frequency, extent, or kind of health service actually provided; and

3. Provides physicians' services primarily;

a. Directly through physicians who are either employees or partners of such organization; or

b. Through arrangements with individual physicians or one (1) or more groups of physicians (organized on a group practice or individual practice basis).

(13) "Health service area" means a particular geographical area designated by the governor as a health service planning area.

(14) "Health services" means clinically related services provided within the Commonwealth to two (2) or more persons, including but not limited to diagnostic, treatment, or rehabilitative services, and includes alcohol, drug abuse, and mental health services.

(15) "Local health planning agency" means a health planning agency organized for a particular geographical area of the Commonwealth and designated by the governor.

(16) "Major medical equipment" means equipment which is used for the provision of medical and other health services and which costs in excess of the medical equipment expenditure minimum except that such term does not include medical equipment acquired by or on behalf of a medical laboratory. For purposes of this paragraph, "medical equipment expenditure minimum" means *two million dollars (\$2,000,000)* [four hundred thousand dollars (\$400,000)] for the twelve (12) month period beginning July-15, 1982 and as adjusted annually thereafter. In determining whether medical equipment has a value in excess of the medical equipment expenditure minimum, the value of studies, surveys, designs, plans, working drawings, specifications, and other activities essential to the acquisition of such equipment shall be included.

(17) "Nonsubstantive review" means an expedited review conducted by the cabinet of an application for a certificate of need as authorized under KRS 216B.095.

(18) "Operating cost expenditure minimum" means *two million dollars (\$2,000,000)* [~~two hundred fifty thousand dollars (\$250,000)~~] for the twelve (12) month period beginning July 15, 1982 and as adjusted annually thereafter.

(19) "Party to the proceedings" means the applicant for a certificate of need and any affected person who appears at a hearing on the matter under consideration and enters an appearance of record.

(20) "Person" means an individual, a trust or estate, a partnership, a corporation, an association, a group, state or political subdivision or instrumentality (including a municipal corporation) of a state.

(21) "Record" means, as applicable in a particular proceeding:

(a) The application and any information provided by the applicant at the request of a local health planning agency, the cabinet or the board;

(b) Any information provided by a holder of a certificate of need or license in response to a notice of revocation of a certificate of need or license;

(c) Any memoranda or documents prepared by or for a local health planning agency, the cabinet or the board regarding the matter under review which were introduced at any hearing;

(d) Any staff reports or recommendations prepared by or for a local health planning agency, the cabinet or the board;

(e) Any recommendation or decision of the cabinet;

(f) Any testimony or documentary evidence adduced at a hearing;

(g) The findings of fact and recommendation of the hearing officer; and

(h) Any other items required by administrative regulations promulgated by the board.

(22) "Secretary" means the secretary of the cabinet for human resources.

(23) "State health plan" means the document duly adopted by the state health planning council and approved by the governor.

(24) "State health planning council" means the statewide health coordinating council or a state health planning agency established and designated by the governor.

(25) "Substantial change in a health service" means the addition of a clinically related service not previously provided in the health facility which entails an annual operating cost which exceeds the operating cost expenditure minimum, or the addition of a health service for which there is a component of the state health plan, or the addition of a health service subject to licensure under this chapter, or the reduction or termination of a health service which had previously been provided in the health facility.

(26) "Substantial change in bed capacity" means the addition, reduction, relocation or redistribution of beds by licensure classification within a health facility.

(27) "To acquire" means to obtain from another by purchase, lease or other comparable arrangement of the controlling interest of a capital asset or capital stock, or voting rights of a corporation. An acquisition is deemed to occur when more than fifty percent (50%) of an existing capital asset or capital stock or voting rights of a corporation is purchased, leased or acquired by comparable arrangement by one person from another person.

(28) To "batch" means to review in the same review cycle and, if applicable, give comparative consideration to all filed applications pertaining to similar types of services, facilities or equipment affecting the same health service area.

(29) "To establish" means to construct, develop, or initiate a health facility.

(30) "To obligate" means to enter any enforceable contract for the construction, acquisition, lease, or financing of a capital asset. A contract shall be considered enforceable when all contingencies and conditions in such contract have been met. An option to purchase or lease which is not binding, shall not be considered an enforceable contract.

(31) "To offer" means, when used in connection with health services, to hold a health facility or health maintenance organization out as capable of providing, or as having the means of providing, specified health services."

Floor Amendment No. 2 to **SB 264**, by Representative Morris:

Amend printed copy of GA Copy of **SB 264** on page 53, line 3.

By adding the following new section:

"SECTION 30: A NEW SECTION OF KRS CHAPTER 216B IS CREATED TO READ AS FOLLOWS:

(1) A certificate of need shall not be required for the acquisition of new major medical equipment or for the establishment of a new health service.

(2) All statutes and portions thereof in conflict with subsection (1) of this section shall be repealed or amended to the extent of the conflict."

Floor Amendment No. 1 to **SB 277**, by Representative Farrow:

Amend printed copy of GA Copy of **SB 277** on page 1, after line 20, by inserting the following:

"SECTION 2. A NEW SECTION OF KRS CHAPTER 224 IS CREATED TO READ AS FOLLOWS:

(1) For solid waste landfills for which a permit is applied for after the effective date of this section, the cabinet shall enforce a five hundred (500) foot buffer zone between the property line of the landfill and any existing residence.

(2) For solid waste landfills seeking to expand the fill area under an existing permit after the effective date of this section, the cabinet shall enforce a five hundred (500) foot buffer zone between the new fill and any existing residence.

(3) The owner of an existing residence may waive the rights granted by this section by submitting a certified statement to the cabinet. However, the cabinet shall enforce a minimum buffer zone which may not be waived of two hundred fifty (250) feet between the fill and any existing residence."

Floor Title Amendment to **SB 277**, by Representative Farrow:

Amend printed copy of GA Copy of **SB 277** by amending the title to read as follows:

"AN ACT relating to public nuisances."

Floor Title Amendment to Committee Substitute to **SB 280**, by Representative Clarke:

Amend printed copy of **SB 280/HCS** by amending the title to read, "AN ACT relating to economic development, the tax credits related to the financing thereof, and declaring an emergency."

Floor Amendment No. 1 to **SB 285**, by Representative Lundergan:

Amend copy of **SB 285** on page 30, after line 17, by inserting:

"Section 13. KRS 287.030 is amended to read as follows:

(1) As used in this section, "person" includes a natural person, partnership, corporation, association, business trust, voting trust, or similar organization.

(2) No persons, except corporations, shall engage in the business of private banking in this state.

(3) No bank incorporated under the laws of another state or national bank having its principal place of business outside this state shall transact any banking business in this state except to lend money.

(4) No person who after July 13, 1984, owns or acquires more than one-half (1/2) of the capital stock of a bank shall act as insurance agent or broker with respect to any insurance except credit life insurance, credit health insurance, insurance of the interest of a real property mortgagee in mortgaged property, other than title insurance, *unless such insurance agent or broker is a separate service corporation subsidiary of such person or bank.*

(5) No bank incorporated under the laws of the Commonwealth of Kentucky shall make any loan or discount on the security of the shares of its own capital stock, or the shares of stock of a bank holding company which controls the bank to the extent that such loan or discount secured by such shares exceeds the amounts permitted by section 23(A) of the Federal Reserve Act (12 U.S.C. Sec. 371c) as that section reads on July 15, 1986, nor be the purchaser or holder of any such shares, except that a bank may take property of any kind to satisfy or protect a loan previously made in good faith and in the ordinary course of business; and stock so purchased or acquired, shall, within six (6) months from the time of its purchase or acquisition, be sold or disposed of at public or private sale. This subsection shall not affect or modify in any way KRS 386.025, but said section shall remain in full force and effect."; and

On page 30, line 18, by deleting "13" and inserting "14" in lieu thereof.

Floor Amendment No. 2 to **SB 286**, by Representative Lundergan:

Amend printed copy of GA Copy of **SB 286** on page 8, after line 8, by adding the following:

"Section 4. KRS 158.175 is amended to read as follows:

(1) As a continuation of the policy of teaching our country's history and as an affirmation of the freedom of religion in this country, the board of education of a local school district may authorize the recitation of the traditional Lord's prayer and the pledge of allegiance to the flag in public elementary schools. Pupil participation in the recitation of the prayer and pledge of allegiance shall be voluntary. Pupils shall be reminded that this Lord's prayer is the prayer our pilgrim fathers recited when they came to this country in their search for freedom. Pupils shall be informed that these exercises are not meant to influence an individual's personal religious beliefs in any manner. The exercises shall be conducted so that pupils shall learn of our great freedoms, including the freedom of religion symbolized by the recitation of the Lord's prayer.

(2) [~~By August 1, 1980,~~] the board of education of each public local school district shall establish a policy and develop procedures whereby the pupils in each elementary and secondary school may participate in the pledge of allegiance to the flag of the United States at the commencement of each school day. Included in the policy shall be a plan for incorporating into the social studies curriculum instruction concerning the proper display of and respect for the flag of the United States and the flag of Kentucky.

(3) *The board of education of each local school district may purchase or otherwise acquire and provide for display in each classroom copies of the Declaration of Independence, the Gettysburg address and other documents the local board deems significant to the history of Kentucky and the United States."*

Floor Title Amendment No. 2 to **SB 286**, by Representative Lundergan:

Amend printed copy of GA Copy of **SB 286** by amending the title to read:

"AN ACT relating to education."

Floor Amendment No. 2 to Committee Substitute to **SB 300**, by Representative Lear:

Amend printed copy of Committee Substitute to **SB 300** on page 2, after line 6, by adding the following:

SECTION 2. A NEW SECTION OF KRS CHAPTER 164A IS CREATED TO READ AS FOLLOWS:

The governing board is authorized to establish a "Faculty Retention Fund" into which gifts and grants intended for such purposes may be deposited. The fund shall be used only for purposes related to faculty retention, for example, the payment of bonuses or awards or providing for fringe benefits or permanent salary increases.

SECTION 3. A NEW SECTION OF KRS CHAPTER 161 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of any other statute to the contrary, effective for tax years beginning after June 30, 1990, any individual or corporation shall be allowed in any taxable year a credit against the taxes imposed under the provisions of KRS 141.020, 141.030 and 141.040. The credit shall be in an amount equal to one hundred percent (100%), prorated as provided in subsection (3) of this Section, of any cash contribution made by an individual, estate trust fiduciary or corporation to a "Faculty Retention Fund" established by a public supported institution of higher education, when such contribution is made during the period July 1, 1988 through June 30, 1990, and adjusted as provided in subsection (2) of this Section.

(2) Only contributions made by the taxpayer during the periods July 1, 1988 through June 30, 1989 or July 1, 1989 through June 30, 1990, respectively, in excess of the amount contributed by the taxpayer to a Kentucky public supported institution of higher education during the period July 1, 1987 through June 30, 1988, shall qualify for the credit provided for in subsection (1) of this Section.

(3) The credit provided for in subsection (1) of this section shall not be taken in any taxable year in an amount in excess of fifty percent (50%) of the total tax credit to which the taxpayer is entitled.

(4) The credit provided for in subsection (1) of this section shall be in lieu of any deduction from gross income to which the individual, estate, trust, fiduciary or corporation is entitled.

SECTION 4. A NEW SECTION OF KRS CHAPTER 164A IS CREATED TO READ AS FOLLOWS:

In order to document contributions to a Faculty Retention Fund for purposes for claiming the tax credit provided for in section (4) of this Act, the governing board shall complete forms prescribed by the Revenue Cabinet which shall show as to each contribution the following:

(1) The name, address and federal identification number of the contributor;

(2) The amount of contribution and the date made; and

(3) The amount of contribution, if any, made by the contributor during the period July 1, 1987 through June 30, 1988.

Floor Amendment No. 3 to Committee Substitute to **SB 300**, by Representative Morris:

Amend printed copy of HCS copy of **SB 300** on page 2, by inserting after line 6, the following: "Section 2. KRS 141.021 is amended to read as follows:

(1) Notwithstanding the provisions of KRS 141.010, federal military retirement annuities other than those set out in subsection (2) of this section shall be excluded from the gross income of persons fifty (50) years of age or older, and federal retirement annuities shall be excluded from the gross income of persons receiving annuities from a federal retirement system and who are fifty (50) years of age or older, subject to the following limitations:

If Earned Income From Sources Other Than Annuities Described Above Is:	The Maximum Annuity Exclusion Is:
\$3,000 or Less	\$4,000
3,001 to 4,000	3,000
4,001 to 5,000	2,000
5,001 to 6,000	1,000
Over 6,000	0

Notwithstanding the provisions of KRS 141.010 or the provisions of subsection (1) of this section, federal military retirement annuities shall be excluded from the gross income of persons who have retired from the federal military when at the time of such retirement the individual was on active duty and was stationed in the Commonwealth of Kentucky."

Floor Title Amendment No. 2 to Committee Substitute to **SB 300**, by Representative Lear:

Amend printed copy of Committee Substitute to **SB 300** by amending the title to read, "AN ACT relating to revenue and taxation."

Floor Title Amendment No. 3 to Committee Substitute to **SB 300**, by Representative Morris:

Amend printed copy of HCS copy of **SB 300** on page 1, changing the title to read "AN ACT relating to revenue and taxation."

Floor Amendment No. 1 to **SB 329**, by Representative Stumbo:

Amend printed copy of GA Copy of **SB 329** on page 9, by inserting after line 23 the following: "Section 4. A NEW SECTION OF KRS CHAPTER 132 IS CREATED TO READ AS FOLLOWS:

In order to determine corporate tax liability and the tax liability of others, the revenue cabinet shall have the sole authority to determine the fair cash value of all mineral resources. The term "mineral resources", as used in this section shall mean all forms of minerals which have not yet been mined or removed from the earth for which there exists a method of extraction in common usage in the particular industry and a commercial use for which the mined or removed mineral could be devoted under available technologies.

Section 5. Whereas the General Assembly desires to implement a uniform system in compliance with *Gillis v. Yount*, an emergency is declared to exist and Section 4. of this Act shall become effective immediately upon passage and approval by the Governor.

Floor Amendment No. 1 to **SB 331**, by Representative K. Harper:

Amend printed copy of GA Copy of **SB 331** on page 19, following line 22, by inserting the following:

"Section 4. KRS 103.286 is amended to read as follows:

(1) The Kentucky private activity [~~industrial development~~] bond allocation committee is established. The purpose of the committee shall be [is] to ensure compliance by the Commonwealth, its political subdivisions, and other authorized issuers within the Commonwealth of Kentucky, of ["private activity bonds,"] as defined in the Internal Revenue Code of the United States, with the state ceiling on the issuance of the [such] bonds imposed by the [~~Act of Congress commonly known as the~~] Tax Reform Act of 1986 [1984], 26 U.S.C. sec. 146 [103(n)]. The committee shall be attached to the finance and administration cabinet for administrative purposes and staff services. The committee shall be composed of the secretary of finance, who shall be chairman of the committee; the secretary of the commerce cabinet; the state budget director; the executive director of the office for program administration; and the chairman of the industrial revenue bond oversight committee, or their respective designees.

(2) The committee shall attempt to allocate the state ceiling of Kentucky in order to best effectuate the issuance of such bonds, foster economic development within the Commonwealth, and promote the general welfare of its citizens and the public purposes of the Commonwealth.

(a) During the period of January 1 to September 30 of each year, the committee shall provide that forty

percent (40%) of the private activity cap be reserved for state bond issuance authorities and sixty percent (60%) of the private activity cap be reserved for local bond issuance authorities.

(b) As of October 1 of each calendar year the remaining unallocated cap shall revert to a single pool to be allocated on a first-come, first-serve basis to state and local governments.

(3) The secretary of finance shall ~~may~~ promulgate regulations in accordance with KRS Chapter 13A, to provide for the allocation of the state ceiling on private activity bonds among all issuers of ~~the~~ ~~[such]~~ bonds within the Commonwealth of Kentucky~~;~~ ~~in order to maximize utilization of the state ceiling, to foster economic development within the Commonwealth, and promote the general welfare of its citizens, and the public purposes of the Commonwealth, regardless of whether such issuers are at the state or local level].~~

(4) No ~~[such]~~ bonds governed by KRS 103.286 shall be issued that are not in compliance with the state ceiling, subsections (3)(a) and (b) of this section or ~~[and]~~ with the allocation, application or review procedures established by the secretary of finance.

Section 5. KRS 103.287. Legislative finding of fact — Governor to prescribe most appropriate formula for allocation of state ceiling on issuance of private activity bonds, is repealed.

Floor Title Amendment to **SB 331**, by Representative K. Harper:

Amend printed copy of GA Copy of **SB 331** by amending the title to read as follows:

"An Act relating to financial matters."

Floor Amendment No. 2 to **SB 336**, by Representative Arnold:

Amend printed copy of GA Copy of **SB 336** on page 4, line 26, by adding after "18A.225(2)" the words: "and no county may impose the tax authorized by this section upon the premiums received on policies issued to public service companies which pay ad valorem taxes".

Floor Amendment No. 3 to **SB 336**, by Representative Turner:

Amend printed copy of GA Copy of **SB 336** on page 5, line 5, by adding thereafter:

"(11) If, within sixty (60) days of the enactment of an ordinance by the fiscal court imposing a license fee or tax, ten percent (10%) of the voters of a county voting in the last general election petition the fiscal court to rescind the fee or tax, the fiscal court shall cause the question to be put on the ballot at the next regular election. The question on the ballot shall be phrased so that the voters can vote yes or no on whether they favor the tax. If a majority of those voting vote no on the tax, the tax shall be rescinded effective the first day of the month following the election."

Floor Amendment No. 1 to **SB 353**, by Representative T. Jones:

Amend printed copy of **SB 353** on page 3, by inserting after line 12 the following:

"Section 2. 1988 Acts Chapter 24 (**HB 300**) Section 2, is amended to read as follows:

(1) Licenses to sell distilled spirits and wine by the drink for consumption on the premises may be issued only for premises located within cities of the first, second or third class, or elsewhere in counties containing a city of the first, second or third class if those counties maintain an adequate police force under KRS 70.540 and KRS 70.150 to 70.170.

(2) Notwithstanding any other provision of law, a special license to sell distilled spirits and wine by the drink for consumption on the premises may be issued for premises located within a city of the fourth class in which the majority of votes cast in the most recent election held pursuant to KRS 242.127 and 242.129 were in favor of the proposition voted upon provided the city has an adequate police force under KRS 95.710 and KRS 95.740 to 95.787.

(3) Licenses to sell distilled spirits or wine by the package may be issued only for premises located within incorporated cities, or elsewhere in counties containing a city of the first, second~~;~~ or third ~~[or fourth]~~ class if those counties maintain an adequate police force under KRS 70.540 and 70.150 to 70.170.

(4) Notwithstanding subsection (3) of this section, the board may, after a field investigation, issue a license to sell distilled spirits and wine by the package at premises not located within any city if:

(a) *Substantial aggregations of population would otherwise not have reasonable access to a licensed vendor;*

(b) The premises to be licensed under this subsection shall be used exclusively for the sale of distilled spirits and wine by the package and malt beverages, if such premises are licensed to sell malt beverages at retail and shall not be used in any manner, in connection with a dance hall, roadhouse, restaurant, store or any other commercial enterprise, except as a drug store in which a registered pharmacist is employed.

(5) No retail package or drink license for the sale of distilled spirits or wine shall be issued for any premises used as or in connection with the operation of any business in which a substantial part of the commercial transaction consists of selling at retail staple groceries or gasoline and lubricating oil.

Floor Amendment No. 2 to **SB 353**, by Representative Meyer:

Amend printed copy of GA Copy of **SB 353** on page 3, line 9, to add the following:

"This subsection shall not apply to drug store operators in counties containing a city of the second class if they own or operate not more than three (3) drug stores in the Commonwealth of Kentucky."

Floor Amendment No. 3 to **SB 353**, by Representative K. Harper:

Amend printed copy of GA Copy of **SB 353** on page 2, line 23, after the word "the" by adding the word "first,";

On page 2, line 25, after the word "class" and before the comma, by adding the phrase "or an urban county form of government".

Floor Amendment No. 4 to **SB 353**, by Representative Rapier:

Amend printed copy of **SB 353** on page 2, line 23, after the word "second" by deleting the word "or" and placing a "," in lieu thereof.

On page 2, line 24, after the word "third" by adding the following: "or fourth".

On page 3, line 2, after the word "second" by deleting the word "or" and placing a "," in lieu thereof.

On page 3, line 2, after the word "third" by adding the following: "or fourth".

Floor Amendment No. 1 to **SCR 83**, by Representative Stumbo:

Amend printed copy of GA Copy of **SCR 83** on page 1, at the end of the last "WHEREAS" paragraph, after the semicolon, insert the following:

"and

WHEREAS, the Kentucky Supreme Court has ruled that the classification of unmined coal separately from other minerals for property taxation purposes is unconstitutional; and

WHEREAS, the decision of the Supreme Court in *Gillis v. Yount et al* was not handed down until March 3, 1988; and

WHEREAS, the General Assembly desires to implement the mandate of the Supreme Court in a timely and orderly manner, taking into consideration the enormous task involved in separately assessing each parcel containing "mineral resources"; and

WHEREAS, it is the intent of the General Assembly that the Revenue Cabinet shall have the sole authority to determine the fair cash value of all "mineral resources" to ensure that a comprehensive, uniform, fair and equitable system is implemented; and

WHEREAS, it is the intent of the General Assembly that "mineral resources" include all forms of minerals which have not yet been mined or removed from the earth for which there exists a method of extraction in common usage in the particular industry and a commercial use for which the mined or removed mineral could be devoted under available technologies."; and

On page 1, line 2, by inserting the following after the period:

"The provisions of Sections 2 to 11 of this Resolution shall apply to the Commission on Kentucky's Government and its related committees. The term "Commission" in these sections means the Commission on Kentucky's Government."; and

On page 12, by inserting the following after line 13:

"Section 12. The Mineral Resources Commission is hereby created for the purpose of establishing procedures and systems for assessing the value of mineral resources. The provisions of Sections 13 to 17 of this Resolution shall apply to the Mineral Resources Commission. The term "Commission" in these sections means the Mineral Resources Commission.

Section 13. The Legislative Research Commission shall appoint the members of the Commission. The members shall consist of the following:

- (1) The Secretary of the Revenue Cabinet or his designee;
- (2) The director of the Kentucky Geological survey;
- (3) Two (2) representatives of the coal industry;
- (4) Two (2) representatives of the oil and gas industry;
- (5) Two (2) representatives from other mineral resource industries including, but not limited to limestone;
- (6) Two (2) members of the House of Representatives;
- (7) Two (2) members of the Senate;
- (8) Six (6) citizen representatives; and
- (9) Two (2) representatives from the agriculture industry.

Section 14. (1) All members of the Commission shall receive their actual and necessary expenses for attending meetings of the Commission;

(2) Members of the General Assembly shall receive the same reimbursement for attending meetings of the Commission as they receive for interim committee meetings;

(3) Members of the Commission shall receive no salary for membership on the Commission.

Section 15. The Legislative Research Commission shall appoint a chairman of the Commission from among the legislative members thereof.

Section 16. Appointments to the Commission shall be made no later than August 1, 1988. The Commission shall make final recommendations to the General Assembly specifically relating to the classification, valuation and tax rates for mineral resources by October 1, 1989, at which time the Commission shall expire.

Section 17. The Legislative Research Commission shall provide staff services for the Commission. Staff services are estimated to cost \$15,000. These staff services shall be provided from the regular Legislative Research Commission budget and are subject to the limitations and other research responsibilities of the Legislative Research Commission.

Adjournment

Representative Stumbo moved that the House adjourn until 2:00 p.m., Thursday, March 24, 1988.

The motion that the House adjourn until 2:00 p.m., Thursday, March 24, 1988 was adopted by voice vote.

THURSDAY, MARCH 24, 1988

FIFTY-SECOND LEGISLATIVE DAY

The House was called to order by Speaker Blandford.

Prayer by Dr. Donald A. Nunnally, First Christian Church, Frankfort.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All members present except Representative Yates.

Representative McElroy moved that the absent member be granted leave of absence in accordance with the rules of the House. Agreed.

Representative McElroy moved that the reading of the Journal of March 23, 1988 be dispensed with and the same approved. Agreed.

Report on Enrolled Bills

The Committee on Enrollment reported **HB 64, HB 217, HB 238, HB 244, HB 378, HB 487, HB 597, HB 625, HB 654, HB 687, HB 689, HB 722, HB 733, HB 769, HB 796, HB 19, HB 633 and HCR 30** had been examined and found correctly enrolled. Said Bills and Resolution read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate. (Time - 2:04 p.m.)

HB 64, HB 217, HB 238, HB 244, HB 378, HB 487, HB 597, HB 625, HB 654, HB 687, HB 689, HB 722, HB 733, HB 769, HB 796, HB 19, HB 633 and HCR 30 delivered to the Senate, signed by the President. Ordered delivered to the Governor.

Reference of Bills and Resolutions

The Clerk reported the Committee on Committees has referred the following Bill:

State Government: **SB 337.**

Report of Committees

The Committee on Health and Welfare reported **SB 194** with the expression of opinion that same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 194. AN ACT relating to embalmers and funeral directors.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 316 IS CREATED TO READ AS FOLLOWS:

(1) Continuing education hours for credit may be compiled in the following areas:

(a) Cassette and audio-visual presentations;

(b) Professional seminars;

(c) Accredited schools participating in continuing education programs;

(d) Professional association-sponsored programs;

- (e) *Correspondence courses;*
- (f) *Continuing education television series; or*
- (g) *Other programs as approved by the board.*

(2) *Sponsors of continuing education programs shall be responsible for obtaining from the board accreditation for their respective continuing education programs.*

(3) *Sponsor means any person, school, association, company, corporation, or group who wishes to develop and present a continuing education program.*

(4) *Sponsors of continuing education programs shall submit a program schedule and outline to the board not less than thirty (30) days prior to the date of the program, including the following information:*

- (a) *The name of the course;*
- (b) *The name of the sponsoring organization;*
- (c) *The objectives of the program;*
- (d) *The number of hours over which the educational program will be presented and the dates presented;*
- (e) *The names of the instructors and speakers and their educational background and other relevant qualifications;*
- (f) *The location at which the program will be presented; and*
- (g) *The name and address of the person authorized to certify attendance at the program.*

(5) *Board approval of continuing education programs will be determined on the following basis:*

- (a) *If the program is likely to contribute to the advancement and extension of professional knowledge and skill in the practice of funeral service;*
- (b) *If the speakers, lecturers and others participating in the program are recognized by the board as being qualified in the field;*
- (c) *If the program is available to all embalmers and funeral directors licensed in this state; and*

(d) *If any fees charged for the program are the same for non-members of any organization sponsoring the program. Any difference in fees charged to non-members, as opposed to members of the sponsoring organization, shall be reasonably and directly related to the sponsoring organization's expense in operating the program.*

(6) *The board shall give written notification of the approval or disapproval of a program to the sponsor within forty-five (45) days after receipt of the proposed educational program schedule and outline. Any program approved by the board shall be awarded an approval period by the board, during which the sponsor may offer the program as many times as desired as long as the board's standards are maintained. The board shall state the number of hours credit recognized for completion of the program.*

(7) *Any change in a program after approval is granted by the board shall be approved by the board. Failure to do so shall be grounds for revocation of approval.*

(8) *The educational program may be monitored by a member of the board or a person designated by the board for the purpose.*

(9) *Sponsors shall provide for the maintenance of the program schedule and outline and attendance records*

of educational programs for at least two (2) years following completion of any program.

(10) Any continuing education program conducted by a sponsor in another state that is approved for continuing education credit by a governmental agency of that state with licensure authority over embalmers and funeral directors in that state, similar to the licensure authority of the board, is exempt from the requirements of subsections (2) through (8) of this section. The board shall recognize attendance by licensees at such continuing education programs, and credit therefor, as recognized and approved by such governmental agency of that state. Licensees claiming credit for the continuing education programs conducted in other states shall comply with the requirements of subsection (11) of this section.

(11) Attendance at any continuing education program shall be certified to the board upon a form provided by the board and shall be submitted by each licensee at the time he makes application to the board for the renewal of his license. Each licensee shall be responsible for having such forms signed by the sponsor of any continuing education program for which credit is claimed, certifying that the licensee did attend the continuing education program for which credit is claimed. The board shall not approve any claim for credit for attendance at a continuing education program unless the licensee provides the signed certification of the sponsor stating that the licensee did attend the continuing education program for which credit is claimed.

(12) The board may maintain a list of sponsors providing programs to satisfy the continuing education requirement for licensees. This information may be made available to any licensee.

Section 2. KRS 316.130 is amended to read as follows:

(1) No license granted under this chapter shall be issued or renewed for a period exceeding one (1) year. Every license and renewal shall expire on July 31 following the date of its issuance unless sooner revoked or canceled.

(2) Every licensed embalmer and every licensed funeral director who desires to continue to practice shall have his license renewed by filing an application for renewal with the secretary of the state board each year within thirty (30) days next before the expiration of his license, upon blanks furnished by the board. He shall pay a renewal fee of thirty dollars (\$30) [~~twenty dollars (\$20)~~].

(3) *Except for the first licensure renewal following the issuance of an original license by the board, as a prerequisite for license renewal, every embalmer and every funeral director now or hereafter licensed in the Commonwealth of Kentucky shall, during each licensure year, attend a minimum of four (4) hours in a continuing education program or programs approved by the board. This continuing education requirement shall be effective for the licensure year beginning August 1, 1989. Upon application to the board, the board may exempt licensees from the continuing education requirements of this section if the applicant demonstrates that meeting the continuing education requirements of this section would work an undue hardship by reason of disability, illness, or other clearly mitigating circumstances. The board may use a portion of the annual license renewal fees for the purpose of contracting with accredited educational institutions, professional organizations, or other qualified persons, for the providing of educational programs that meet this continuing education requirement.*

(4) Every licensed funeral establishment shall renew its license by filing an application for renewal with the secretary of the state board each year within thirty (30) days next before the expiration of the current license, on blanks furnished by the board. The renewal fee shall be fifty dollars (\$50)

(5)[(4)] No license granted under this chapter shall be transferable.

The Committee on Judiciary-Civil reported **SB 143**, with Committee Substitute attached thereto, with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 143. AN ACT relating to civil rights and discrimination and matters relating thereto.

WHEREAS, the purpose of the Kentucky Civil Rights Act is to provide for execution within the Commonwealth of the policies embodied in the Federal Civil Rights Law; and

WHEREAS, the practice of discrimination by national, state and local clubs has become the subject of much concern within the Commonwealth; and

WHEREAS, housekeeping amendments are needed to the Kentucky Civil Rights Acts to carry out policies of the Federal Civil Rights Acts and recent court decisions;

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 344 IS CREATED TO READ AS FOLLOWS:

(1) *As used in this section unless the context otherwise requires:*

(a) "Public agency" means public agency as defined in KRS 61.805(2) except that the definition shall also include judicial or quasi-judicial bodies.

(b) "Public funds" shall have the same definition as provided in KRS 446.010(31) but shall include such sums received by any form of organization of any political subdivision of the state.

(2) *It shall be an unlawful practice for any public agency to sponsor, organize or contract for any meeting or other activity, the purpose of which is public business, in any club, organization, or establishment which does not afford full and equal membership and full and equal enjoyment of its goods, services, facilities, privileges, advantages or accommodations to any person because of race, color, religion, national origin, or sex.*

(3) (a) *It shall be an unlawful practice for any public funds to be used for the practices prohibited in subsection (2) of this section, for the goods, services, privileges, facilities, advantages or accommodations of, or for defraying the costs of participation or attendance in any activity at, such a club, organization or establishment.*

(b) *Any public funds used in violation of this subsection shall be reimbursed to the public agency by the person, club, organization, establishment or other entity receiving such funds.*

(4) *It shall be an unlawful practice for a licensee under KRS 243.270 to exclude from its membership, or from its goods, services, facilities, privileges, advantages, and accommodations, any individual on the ground of race, color, religion, national origin, or sex.*

(5) *It shall be an unlawful practice for a state or local affiliate of any national organization or for any club, organization or establishment to exclude from its membership, services, facilities, privileges, advantages, or accommodations, any individual on the ground of race, color, religion, national origin or sex if it is one which regularly receives payment for dues, fees, goods, facilities, services, meals or beverages directly or indirectly from or on behalf of non-members for the furtherance of trade or business or which furthers the trade or business of its members or which receives any governmental tax benefit or privilege. This subsection shall not apply to an affiliate, a club, organization or establishment which has fewer than one hundred (100) members. Nothing in this section shall be construed to require a club, organization or establishment to change its existing membership criteria so long as it does not discriminate on the basis of race, color, religion, national origin or sex.*

(6) *Nothing in this section shall apply to any religious or denominational club, group or establishment or any organization operated solely for charitable or educational purposes which restricts membership to persons of the same religion or denomination in order to promote the religious principles for which it is established and maintained.*

Section 2. KRS 344.130 is amended to read as follows:

As used in this chapter unless the context [requires] otherwise requires:

"Place of public accommodation, resort or amusement" includes any place, store or other establishment, either licensed or unlicensed, which supplies goods or services to the general public or which solicits or accepts the patronage or trade of the general public or which is supported directly or indirectly by government funds[; except that

(1) ~~A private club is not a place of public accommodation, resort or amusement if its policies are determined by its members and its facilities or services are available only to its members and their bona fide guests;~~

and

(2) "~~Place of public accommodation, resort or amusement~~" does not include a rooming or boarding house containing not more than one room for rent or hire and which is within a building occupied by the proprietor as his residence].

Section 3. KRS 243.500 is amended to read as follows:

Any license issued under KRS 243.020 to 243.670 must be revoked or suspended for the following causes:

(1) Conviction of the licensee or his agent or employe for selling any illegal beverages on the premises licensed.

(2) Making any false, material statements in an application for a license.

(3) Violation of the provisions of KRS 243.670 *and, with regard to licenses issued or renewed after the effective date of this Act, for violations of KRS 344.120, 344.145, or any violation of Section 1(4) or (5) of this Act.*

(4) If, within a period of two (2) consecutive years, any licensee or any of his clerks, servants, agents or employes shall have been convicted of two (2) violations of the terms and provisions of KRS Chapter 241, 243 or 244 or any act heretofore or hereafter in effect relating to the regulation of the manufacture, sale and transportation of alcoholic beverages or if, within such period, any licensee or any of his clerks, servants, agents or employes shall have twice been convicted of any felony or of any misdemeanor directly or indirectly attributable to the use of intoxicating liquors, or of one (1) such felony and one (1) such misdemeanor.

(5) Wilful and deliberate failure or default of a licensee to pay an excise tax or any part thereof, or any penalties imposed by or under the provisions of any statutes, ordinances or acts of congress relative to taxation, or for a violation of any rules or regulations of the revenue cabinet made in pursuance thereof.

(6) Revocation of any license or permit provided in KRS 243.060, 243.070, 243.600 and 243.610, or granted under any act of congress relative to the regulation of the manufacture, sale and transportation of alcoholic beverages. Any license issued under KRS 243.020 to 243.670 must be revoked or suspended in the case of sale of alcoholic beverages by the licensee at a price in excess of the price set by federal or state regulations.

(7) Setting up, conducting, operating or keeping, on the licensed premises, any gambling game, device, machine or contrivance, or lottery or gift enterprise, or handbook or facility for betting or transmitting bets on horse races; or permitting to be set up, conducted, operated, kept, or engaged in, on the licensed premises, any such game, device, machine, contrivance, lottery, gift enterprise, handbook or facility.

(8) Conviction of the licensee, his agents, servants, or employes for:

(a) The sale or use upon the licensed premises of those items described in KRS 218A.050 to 218A.130 as controlled substances;

(b) Knowingly permitting the sale or use by patrons upon the licensed premises of those items described in KRS 218A.050 to 218A.130 as controlled substances.

SECTION 4. A NEW SECTION OF KRS CHAPTER 344 IS CREATED TO READ AS FOLLOWS:

A person subject to this chapter may adopt and carry out a plan to eliminate present effects of past discrimination, or reduce a manifest imbalance with respect to race, color, religion, national origin, or sex. The commission may review the plans filed with it.

Section 5. KRS 344.200 is amended to read as follows:

(1) An individual claiming to be aggrieved by an unlawful practice, a member of the commission, or the attorney general may file with the commission a written sworn complaint stating that an unlawful practice

has been committed, setting forth the facts upon which the complaint is based, and setting forth facts sufficient to enable the commission to identify the persons charged (hereinafter the respondent). *An individual claiming to be aggrieved may file a complaint for himself and other persons similarly situated. If a complaint is filed by an individual on his behalf and on behalf of persons similarly situated, as soon as practicable after the filing of the complaint, the commission shall determine by order whether the action will be maintained pursuant to CR 23, and make any additional appropriate orders.* The commission staff or a person designated pursuant to its rules shall promptly investigate the allegations of unlawful practice set forth in the complaint and shall within five (5) days furnish the respondent with a copy of the complaint. The complaint must be filed within one hundred eighty (180) days after the alleged unlawful practice occurs.

(2) The commission or an individual designated pursuant to its rules shall determine within thirty (30) days after the complaint has been filed whether there is probable cause to believe the respondent has engaged in an unlawful practice. If it is determined that there is no probable cause to believe that the respondent has engaged in an unlawful practice, the commission shall issue an order dismissing the complaint and shall furnish a copy of the order to the complainant, the respondent, the attorney general, and such other public officers and persons as the commission deems proper.

(3) The complainant, within ten (10) days after receiving a copy of the order dismissing the complaint, may file with the commission an application for reconsideration of the order. Upon such application, the commission or an individual designated pursuant to its rules shall make a new determination within ten (10) days whether there is probable cause to believe that the respondent has engaged in an unlawful practice. If it is determined that there is no probable cause to believe that the respondent has engaged in an unlawful practice, the commission shall issue an order dismissing the complaint and furnishing a copy of the order to the complainant, the respondent, the attorney general, and such other public officers and persons as the commission deems proper.

(4) If the staff determines, after investigation, or if the commission determines after the review provided for in subsection (3) of this section that there is probable cause to believe that the respondent has engaged in an unlawful practice, the commission staff shall endeavor to eliminate the alleged unlawful practice by conference, conciliation and persuasion. The terms of a conciliation agreement reached with a respondent may require him to refrain from the commission of unlawful discriminatory practices in the future and make such further provisions as may be agreed upon between the commission or its staff and the respondent. If a conciliation agreement is entered into, the commission shall issue and serve on the complainant an order stating its terms. A copy of the order shall be delivered to the respondent, the attorney general, and such other public officers and persons as the commission deems proper. Except for the terms of the conciliation agreement, neither the commission nor any officer or employee thereof shall make public, without the written consent of the complainant and the respondent, information concerning efforts in a particular case to eliminate an unlawful practice by conference, conciliation, or persuasion whether or not there is a determination of probable cause or a conciliation agreement.

(5) At the expiration of one (1) year from the date of a conciliation agreement, and at other times in its reasonable discretion, the commission staff may investigate whether the terms of the agreement have been and are being complied with by the respondent. Upon a finding that the terms of the agreement are not being complied with by the respondent, the commission shall take such action as it deems appropriate to assure compliance.

(6) At any time after a complaint is filed, the commission may file an action in the circuit court in a county in which the subject of the complaint occurs, or in a county in which a respondent resides or has his principal place of business, seeking appropriate temporary relief against the respondent, pending final determination of proceedings under KRS 344.160, 344.190 to 344.210, and 344.230 to 344.260, including an order or decree restraining him from doing or procuring any act tending to render ineffectual any order the commission may enter with respect to the complaint. The court shall have power to grant such temporary relief or restraining order as it deems just and proper.

(7) Insofar as they are not inconsistent or in conflict with the procedure and practice provided by this chapter, the Kentucky Rules of Civil Procedure will apply to proceedings under this chapter.

Section 6. KRS 344.385 is amended to read as follows:

Wherever a licensee of the Commonwealth of Kentucky [Where a real estate broker or a real estate salesman] has failed to comply with an order issued by the commission or has been found to have committed an unlawful [unfair housing] practice in violation of this chapter [KRS 344.380], the commission shall notify in writing

the appropriate licensing authority [~~real estate commission~~] of the Commonwealth of Kentucky of said failure to comply or violation. *The commission may recommend and the licensing agency may take appropriate disciplinary action to revoke or suspend the license of the licensee.*

Section 7. KRS 344.450 is amended to read as follows:

(1) Any person [~~deeming himself~~] injured by an unlawful practice [~~any act~~] in violation of the provisions of this chapter *may bring [shall have] a civil cause of action in circuit court to enjoin further violations, and for any additional remedies provided in this chapter, including but not limited to those contained in KRS 344.230, together with the costs of the action and a reasonable attorney's fee, [to recover the actual damages sustained by him, together with the costs of the law suit, including a reasonable fee for his attorney of record,]* all of which shall be in addition to any other remedies *allowed by law [contained in this chapter].*

(2) *Upon commencement of any action brought under subsection (1) of this section, the clerk of the court shall mail a copy of the complaint, and upon entry of any judgment or decree, shall mail a copy of such judgment or decree to the commission on human rights.*

The Committee Substitute to SB 143 is as follows:

SB 143, AN ACT relating to civil rights and discrimination and matters relating thereto.

WHEREAS, the purpose of the Kentucky Civil Rights Act is to provide for execution within the Commonwealth of the policies embodied in the Federal Civil Rights Law; and

WHEREAS, the practice of discrimination by national, state and local clubs has become the subject of much concern within the Commonwealth; and

WHEREAS, housekeeping amendments are needed to the Kentucky Civil Rights Acts to carry out policies of the Federal Civil Rights Acts and recent court decisions;

NOW, THEREFORE,

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 344 IS CREATED TO READ AS FOLLOWS:

(1) *As used in this section unless the context otherwise requires:*

(a) *"Public agency" means public agency as defined in KRS 61.805(2) except that the definition shall also include judicial or quasi-judicial bodies.*

(b) *"Public funds" shall have the same definition as provided in KRS 446.010(31) but shall include such sums received by any form of organization of any political subdivision of the state.*

(2) *It shall be an unlawful practice for any public agency to sponsor, organize or contract for any meeting or other activity, the purpose of which is public business, in any club, organization, or establishment which does not afford full and equal membership and full and equal enjoyment of its goods, services, facilities, privileges, advantages or accommodations to any person because of race, color, religion, national origin, or sex.*

(3) (a) *It shall be an unlawful practice for any public funds to be used for the practices prohibited in subsection (2) of this section, for the goods, services, privileges, facilities, advantages or accommodations of, or for defraying the costs of participation or attendance in any activity at, such a club, organization or establishment.*

(b) *Any public funds used in violation of this subsection shall be reimbursed to the public agency by the person, club, organization, establishment or other entity receiving such funds.*

(4) *It shall be an unlawful practice for a licensee under KRS 243.270 to exclude from its membership, or from its goods, services, facilities, privileges, advantages, and accommodations, any individual on the ground*

of race, color, religion, national origin, or sex.

(5) It shall be an unlawful practice for a state or local affiliate of any national organization or for any club, organization or establishment to exclude from its membership, services, facilities, privileges, advantages, or accommodations, any individual on the ground of race, color, religion, national origin or sex if it is one which regularly receives payment for dues, fees, goods, facilities, services, meals or beverages directly or indirectly from or on behalf of non-members for the furtherance of trade or business or which furthers the trade or business of its members or which receives any governmental tax benefit or privilege. This subsection shall not apply to an affiliate, a club, organization or establishment which has fewer than one hundred (100) members. Nothing in this section shall be construed to require a club, organization or establishment to change its existing membership criteria so long as it does not discriminate on the basis of race, color, religion, national origin or sex.

(6) Nothing in this section shall apply to any religious or denominational club, group or establishment or any organization operated solely for charitable or educational purposes which restricts membership to persons of the same religion or denomination in order to promote the religious principles for which it is established and maintained. Notwithstanding any other provisions in this chapter, any action brought or claim asserted under this section shall not be subject to the jurisdiction of any state or local commission on human rights.

Section 2. KRS 243.500 is amended to read as follows:

Any license issued under KRS 243.020 to 243.670 must be revoked or suspended for the following causes:

(1) Conviction of the licensee or his agent or employe for selling any illegal beverages on the premises licensed.

(2) Making any false, material statements in an application for a license.

(3) Violation of the provisions of KRS 243.670 and, with regard to licenses issued or renewed after the effective date of this Act, for violations of KRS 344.120, 344.145, or any violation of Section 1(4) or (5) of this Act.

(4) If, within a period of two (2) consecutive years, any licensee or any of his clerks, servants, agents or employes shall have been convicted of two (2) violations of the terms and provisions of KRS Chapter 241, 243 or 244 or any act heretofore or hereafter in effect relating to the regulation of the manufacture, sale and transportation of alcoholic beverages or if, within such period, any licensee or any of his clerks, servants, agents or employes shall have twice been convicted of any felony or of any misdemeanor directly or indirectly attributable to the use of intoxicating liquors, or of one (1) such felony and one (1) such misdemeanor.

(5) Wilful and deliberate failure or default of a licensee to pay an excise tax or any part thereof, or any penalties imposed by or under the provisions of any statutes, ordinances or acts of congress relative to taxation, or for a violation of any rules or regulations of the revenue cabinet made in pursuance thereof.

(6) Revocation of any license or permit provided in KRS 243.060, 243.070, 243.600 and 243.610, or granted under any act of congress relative to the regulation of the manufacture, sale and transportation of alcoholic beverages. Any license issued under KRS 243.020 to 243.670 must be revoked or suspended in the case of sale of alcoholic beverages by the licensee at a price in excess of the price set by federal or state regulations.

(7) Setting up, conducting, operating or keeping, on the licensed premises, any gambling game, device, machine or contrivance, or lottery or gift enterprise, or handbook or facility for betting or transmitting bets on horse races; or permitting to be set up, conducted, operated, kept, or engaged in, on the licensed premises, any such game, device, machine, contrivance, lottery, gift enterprise, handbook or facility.

(8) Conviction of the licensee, his agents, servants, or employes for:

(a) The sale or use upon the licensed premises of those items described in KRS 218A.050 to 218A.130 as controlled substances;

(b) Knowingly permitting the sale or use by patrons upon the licensed premises of those items described in KRS 218A.050 to 218A.130 as controlled substances.

Section 3. KRS 344.450 is amended to read as follows:

Any person [~~deeming himself~~] injured by an unlawful practice [~~any act~~] in violation of the provisions of this chapter may bring [~~shall have~~] a civil cause of action in circuit court to enjoin further violations, and for any additional remedies provided in this chapter, including but not limited to those contained in KRS 344.230, together with the costs of the action and a reasonable attorney's fee, [~~to recover the actual damages sustained by him; together with the costs of the law suit, including a reasonable fee for his attorney of record;~~] all of which shall be in addition to any other remedies allowed by law [~~contained in this chapter~~].

The Committee on State Government reported SB 29 with Committee Amendments attached thereto, with the expression of opinion that the same should pass. Ordered referred to the Committee on Rules.

The Committee Amendment No. 1 to SB 29 is as follows:

Amend printed copy of GA Copy of SB 29 on page 2, after line 24 by adding:

"SECTION 2. A NEW SECTION OF KRS CHAPTER 287 IS CREATED TO READ AS FOLLOWS:

(1) A bank may continue to own, operate, share, maintain or use, at the place where located on March 1, 1988, any electronic terminal which was in operation under the authority of regulations of the commissioner on March 1, 1988.

(2) For purposes of this section, "electronic terminal" means an electronic device through which a customer may initiate an electronic fund transfer."

The Committee Title Amendment to SB 29 is as follows:

Amend printed copy of GA Copy of SB 29 by deleting the title and inserting in lieu thereof "AN ACT relating to banking."

The Committee on State Government reported SB 138, SB 171, SB 182 and SB 297 with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 138. AN ACT relating to block grants.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 45.352 is amended to read as follows:

(1) If federal law requires a block grant public hearing by the state legislative branch of government, [The legislative research commission shall, within ten (10) days of receiving any block grant application from the state administering agency, provide for statewide notice, pursuant to KRS Chapter 424, of public hearings to be conducted by the designated review body for the purpose of receiving comments on the block grant application.

(2) the commission shall, no later than sixty (60) days prior to the submission of the block grant application to the federal administering agency, provide for a public hearing on the [each] block grant application. The hearing may be held, in such manner at such time, place and location as the commission shall determine. All hearings and deliberations of the commission pursuant to KRS 45.351 to 45.359 shall be electronically recorded. The recordings shall constitute a public record.

(2) If a public hearing is required, it shall be the responsibility of the state administering agency to notify the legislative research commission, in writing, requesting such hearing.

(3) All block grant applications submitted to the commission shall be available for public inspection in the commission library, fourth floor, state capitol building, Frankfort, Kentucky, during regular office hours of 8:00 a.m. to 4:30 p.m., Monday through Friday.

(4) All block grant applications submitted to the commission shall be subsequently submitted to the appropriate designated review body for review and comment.

SB 171. AN ACT relating to the personnel board.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 18A.070 is amended to read as follows:

(1) The board shall annually elect one (1) of its members chairman and one (1) of its members vice-chairman.

(2) The board shall meet at such time and place as shall be specified by call of the chairman. At least one (1) meeting shall be held each month.

(3) All meetings shall be open to the public as provided in KRS 61.805 [61.870] to 61.850 [61.884]. Any head of the department or agency employing an elected member of the board or any other person shall not prohibit him from attending meetings of the board, conducting the business of the board, influence or attempt to influence any decision made by that person, discipline the individual for attending the meeting; or, take any other action inimical to the interests of the employee or his family. Any person violating the provisions of this subsection shall be subject to the provisions of KRS 18A.990.

(4) *At least seven (7) days in advance of each regular meeting, notice [of each regular meeting] shall be given in writing to each member of the board by the executive director and the executive director shall post a notice in each building owned or leased by the state which houses at least five hundred (500) employees [at least seven (7) days in advance of the meeting].* Four (4) voting members shall constitute a quorum for the transaction of business. The board shall keep records and minutes of its business and official actions.

(5) All records of the board shall be public records and open to public inspection as provided in KRS 61.870 to 61.884.

SB 182. AN ACT relating to state personnel.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 18A.005 is amended to read as follows:

As used in this chapter, unless the context indicates otherwise:

(1) "Appointing authority" means the agency head or any person whom he has authorized by law to designate to act on behalf of the agency with respect to employee appointments, position establishments, payroll documents, register requests, waiver requests, requests for certification or other position actions. Such designation shall be in writing and signed by both the agency head and his designee. Prior to the exercise of appointing authority, such designation shall be filed with the commissioner;

(2) "Base salary or wages," means the compensation to which an employee is entitled under the salary schedules adopted pursuant to the provisions of KRS 18A.030 and 18A.110. Base salary or wages shall be adjusted as provided under the provisions of KRS 18A.355 and 48.130;

(3) "Board" means the personnel board created by KRS 18A.045;

(4) "Career employee" shall mean a state employee with sixteen (16) or more years of permanent full-time state service, or the part-time employment equivalent of at least sixteen (16) years of full-time state service. The service may have been in the classified service, the unclassified service, or a combination thereof;

(5) "Certification" means the referral of the name of one (1) or more qualified prospective employees by the commissioner on request of an appointing officer for consideration in filling a position in the classified service;

- (6) "Class" means a group of positions sufficiently similar as to duties performed, scope of discretion and responsibility, minimum requirements of training, experience, or skill, and such other characteristics that the same title, the same tests of fitness, and the same schedule of compensation have been or may be applied to each position in the group;
- (7) "Classified service" includes all the employment subject to the terms of this chapter except for those positions expressly cited in KRS 18A.115; a "classified position" is a position in the classified service;
- (8) "Commissioner" means the commissioner of the department of personnel as provided for in KRS 18A.015;
- (9) "Demotion" means a change in the rank of an employe from a position in one (1) class to a position in another class having a lower minimum salary range or less discretion or responsibility;
- (10) "Department" means the department of personnel provided for in KRS 18A.015 unless the context indicates otherwise;
- (11) "Eligible" refers to a person who has made a passing score on any examination required under KRS 18A.005 to 18A.200 and who has qualified to be placed on a register;
- (12) "Emergency employe" means an employe appointed without regard to the examination requirements of KRS 18A.005 to 18A.200 to any position by reason of a governmental emergency. An emergency appointment shall not exceed thirty (30) working days in duration and is nonrenewable;
- (13) "Employe" means a person regularly appointed to a position in the state service for which he is compensated on a full-time or part-time basis;
- (14) "Federally funded time-limited employe" means an employe appointed to a federally funded time-limited position and, except as provided in KRS 18A.115, may in all other respects be entitled to the benefits provided permanent, full-time regular employes as defined in this chapter;
- (15) "Federally funded time-limited position" means a position created for the specific purpose of providing public service employment or one-time special or research project services for a limited period of time and shall not exceed the period of time for which that specific federal funding is provided;
- (16) "Initial probation" means the period of service following initial appointment to any position under KRS 18A.005 to 18A.200 which requires special observation ~~[and evaluation]~~ of an employe's work and which must be passed successfully before status may be conferred as provided in KRS 18A.110 and by the provisions of this chapter. "Initial probation" does not include a probationary period served by a laid-off employe who accepts a bona fide written offer of appointment;
- (17) "Penalization" shall include, but not be limited to, demotion, dismissal, suspension, fines and other disciplinary actions, involuntary transfers; salary adjustments; any action that diminishes the level, rank, discretion or responsibility of an employe without proper cause, including a reclassification or reallocation; and the abridgement or denial of other rights granted to state employes;
- (18) "Position" means an office or employment in an agency (whether part-time, full-time, permanent, temporary, seasonal, federally funded time-limited, or emergency, occupied or vacant) involving duties requiring the services of one (1) person;
- (19) "Promotion" means a change of rank of an employe from a position in one (1) class to a position in another class having a higher minimum salary or carrying a greater scope of discretion or responsibility;
- (20) "Promotional probation" means the six (6) month period of service following the promotion of an employe with status which must be successfully completed in order for the employe to retain the position to which he has been promoted;
- (21) "Provisional employe" means any employe appointed on a temporary or interim basis to a permanent position under KRS 18A.005 to 18A.200 without examination, such appointment being made necessary by

the absence of a register for the position involved and by the time limitations and prohibition on renewal as defined in KRS 18A.110(5)(h);

(22) "Reallocation" means the correction of the classification of an existing position by placement of the position into the classification that is appropriate for the duties the employee has been and shall continue to perform;

(23) "Reclassification" shall mean the change in the classification of an employee when a material and permanent change in the duties or responsibilities of that employee occurs;

(24) "Reemployment" shall mean the rehiring of an employee with status who has been laid off;

(25) "Reemployment register" means the separate list of names of persons who have been separated from state service by reason of layoff. Reemployment registers shall be used as provided by the provisions of KRS 18A.110, 18A.130, and 18A.135;

(26) "Register" means any official list of eligibles for a particular class and, except as provided in this chapter, placed in rank order according to the examination scores maintained for use in making original appointments or promotions to positions in the classified service;

(27) "Reinstatement" shall mean the restoration of an employee who has resigned in good standing, or who has been ordered reinstated by the board or a court to a position in his former class, or to a position of like status and pay;

(28) "Seasonal employee" means an employee appointed to a seasonal position;

(29) "Seasonal position" means a position that is temporary, coincides with a particular season or seasons of the year, and does not exceed eleven (11) months duration;

(30) "Seniority" means the total number of months of state service;

(31) "Status" means the acquisition of tenure with all rights and privileges granted by the provisions of this chapter after satisfactory completion of the initial probationary period by an employee in the classified service;

(32) "Temporary employee" means an employee appointed to a temporary position;

(33) "Temporary position" means a position that is created for a definite period of time not to exceed six (6) months and not renewable;

(34) "Transfer" means a movement of any employee from one (1) position to another of the same grade having the same salary ranges, the same level of responsibility within the classified service and the same salary received immediately prior to transfer;

(35) A "war veteran" is a person who served on active duty in the United States armed forces during any war, or in a campaign or expedition for which a campaign badge or service medal has been authorized, or between December 7, 1941, and July 1, 1955 or between August 6, 1964 and May 7, 1975.

Section 2. KRS 18A.020 is amended to read as follows:

(1) The records of the department shall be public records and shall be open to public inspection, as provided in KRS 61.870 to 61.884.

(2) (a) A personnel file shall be maintained by the department and the appointing authority for each employee. The file maintained by the department shall be the official personnel file for the employee. Upon transfer, the personnel file maintained by the appointing authority from which the employee transfers shall be forwarded to the new appointing authority;

(b) Each file shall include, but not be limited to, for each employee, his name, address, title of positions held, classification, rates of compensation, all changes in status including ~~evaluations~~ promotions, demotions, layoffs, transfers, disciplinary actions, commendations, awards, and preliminary and other supporting documentation for each action. Each file shall contain the complete record and supporting documentation for each personnel action;

(c) Whenever an employee is reprimanded for misconduct, other infraction, or failure to perform his duties in a proper or adequate manner, the supervising employee taking such action shall document such action in detail, and shall provide the employee with a copy of such documentation. The supervising employee shall inform the employee that he has the right to prepare a written response to the action taken after he has reviewed the written documentation prepared by the supervising employee. Such response shall be attached to the documentation prepared by the supervising employee. The supervising employee shall place a copy of the documentation and response provided for herein in the employee's personnel file and shall transmit a copy to the department to be placed in the official personnel file of the employee. The supervising employee shall notify the employee that copies of the documentation and the response provided for herein have been placed in his personnel files.

(3) Upon written request, an employee shall have the right to examine his personnel file. An employee may comment in writing on any item in his file. Such comments shall be made a part of his file and shall be attached to the specific record or document to which they pertain.

(4) Upon written request a state employee, an applicant for employment, and an eligible on a register shall have the right to inspect and to copy any record and preliminary documentation and other supporting documentation that relates to him, except that an applicant, an eligible or a state employee shall not have the right to inspect or to copy any examination materials.

(5) No public agency, as defined by KRS 61.870, and no officer or employee shall deny, abridge or impede the exercise of the rights granted in any manner by this section and by KRS 61.878.

Section 3. KRS 18A.095 is amended to read as follows:

(1) A classified employee with status shall not be dismissed, demoted, suspended or otherwise penalized except for cause.

(2) Prior to dismissal, a classified employee with status shall be notified in writing of the intent to dismiss him. The notice shall also state:

(a) The specific reasons for dismissal including:

1. The statutory or regulatory violation;
2. The specific action or activity on which the intent to dismiss is based;
3. The date, time and place of such action or activity; and
4. The name of the parties involved; and

(b) That the employee has the right to appear personally, or with counsel if he has retained counsel, to reply to the head of the cabinet or his deputy.

(3) The department shall prescribe and distribute a form to be completed and forwarded by an employee who wishes to appear before the head of the cabinet or his deputy, to each appointing authority. Such form shall be attached to every notice of intent to dismiss, and shall contain written instructions explaining:

(a) The right granted an employee under the provisions of this section relating to pre-termination hearings; and

(b) The time limits and procedures to be followed by all parties in pre-termination hearings.

(4) No later than five (5) working days after receipt of the notice of intent to dismiss, excluding the day he receives such notice, the employee may request to appear, personally or with counsel if he has retained counsel, to reply to the head of the cabinet or his deputy.

(5) Such appearance shall be scheduled six (6) working days after receipt of an employee's request to appear before the head of the cabinet or his deputy, excluding the day his request is received.

(6) No later than five (5) working days after the employee appears before the head of the cabinet or his deputy, excluding the day of the appearance, the cabinet head or his deputy shall:

- (a) Determine whether to dismiss the employee or to alter, modify or rescind the intent to dismiss; and
- (b) Notify the employee in writing of the decision.

(7) If the cabinet head or his deputy determines that the employee shall be dismissed or otherwise penalized, the employee shall be notified in writing of:

- (a) The effective date of his dismissal or other penalization;
- (b) The specific reason for such action, including:
 - 1. The statutory or regulatory violation;
 - 2. The specific action or activity on which the dismissal or other penalization is based;
 - 3. The date, time and place of such action or activity; and
 - 4. The name of the parties involved;

(c) That he may appeal such dismissal or other penalization to the board within thirty (30) days after receipt of this notification, excluding the day he receives notice.

(8) A classified employee with status who is demoted, suspended or otherwise penalized shall be notified in writing of:

- (a) The demotion, suspension or other penalization;
- (b) The effective date of the demotion, suspension or other penalization;
- (c) The specific reason for such action including:
 - 1. The statutory or regulatory violation;
 - 2. The specific action or activity on which the demotion, suspension or other penalization is based;
 - 3. The date, time and place of the action or activity; and
 - 4. The name of the parties involved; and

(d) That he has the right to appeal to the board within thirty (30) days, excluding the day that he received notification.

(9) Any unclassified employee who is dismissed, demoted, suspended, or otherwise penalized for cause may, within thirty (30) days after such dismissal, demotion, suspension, or other form of penalization, appeal to the board for review thereof.

- (10) (a) An employee whose position is reallocated shall be notified in writing by the appointing authority of:
1. The reallocation; and
 2. His right to request reconsideration by the commissioner within ten (10) working days of receipt of the notice, excluding the day he receives notification:
- (b) He shall be provided with a form prescribed by the commissioner on which to request reconsideration; and
- (c) The employee shall file a written request for reconsideration of the reallocation of his position with the commissioner in such manner and form as the commissioner may prescribe, and shall be given a reasonable opportunity to be heard thereon by the commissioner. The commissioner shall make a determination within sixty (60) days after the request has been filed by an employee. After reconsideration of the request by the commissioner, the employee may appeal to the board.
- (11) Any state employee, applicant for employment, or eligible on a register may appeal to the board on the grounds that his right to inspect or copy records, including preliminary and other supporting documentation, relating to him has been denied, abridged or impeded by a public agency. The board shall conduct a hearing to determine whether the records related to the employee, applicant or eligible, and whether his right to inspect or copy such was denied, abridged or impeded. If the board determines that the records related to the employee and that the right to inspect or copy such records has been denied, abridged or impeded, the board shall order the public agency to make them available for inspection and copying and shall charge the cost of the hearing to the public agency. A state employee, an applicant for employment and an eligible on a register shall not have the right to inspect or to copy any examination materials.
- (12) Any classified employee may appeal to the board an action alleged to be based on discrimination due to race, color, religion, national origin, sex, handicap, or age between forty (40) and seventy (70). Nothing herein shall be construed to preclude any classified or unclassified employee from filing with the Kentucky commission on human rights a complaint alleging discrimination on the basis of race, color, religion, national origin, sex, handicap or age in accordance with KRS Chapter 344.
- (13) When an eligible's name is removed from a register, the commissioner shall notify the eligible of his action and the reasons therefor, together with his right of appeal. An eligible's name shall be restored to the register upon presentation of reasons satisfactory to the commissioner or in accordance with the decision of the board.
- (14) (a) Any employee, applicant for employment, or eligible on a register, who believes that he has been discriminated against, may appeal to the board;
- (b) Any applicant whose application for admission to an open-competitive examination has been rejected shall be notified of such rejection and the reasons therefor and may appeal to the board for reconsideration of his qualifications and for admission to the examination. Applicants may be conditionally admitted to an examination by the commissioner pending reconsideration by the board;
- (c) Any applicant who has taken an examination may appeal to the board for a review of his rating in any part of such examination to assure that uniform rating procedures have been applied equally and fairly;
- (d) An appeal to the board by applicants or eligibles under subsections (11) and (13) of this section and under this subsection shall be filed in writing with the executive director not later than thirty (30) calendar days after the notification of the action in question was mailed.
- (15) ~~[An evaluation may be appealed to the board if an employee has complied with the review procedure established under KRS 18A.112.]~~
- ~~(16)~~ (a) Appeals to the board shall be in writing on an appeal form prescribed by the board. Appeal forms shall be available at the employee's place of work. The department shall be responsible for the distribution of such forms;

(b) The appeal form shall be attached to any notice, or copy of such notice, of dismissal, demotion, suspension, fine, involuntary transfer or other penalization, reallocation, or notice of any other action an employe may appeal under the provisions of this section. The appeal form shall instruct the employe to state whether he is a classified or unclassified employe, his full name, his appointing authority, work station address and telephone number, and, if he has retained counsel at the time he files an appeal, the name, address and telephone number of his attorney;

(c) The form shall also instruct a classified employe to state the action he is appealing in a short, plain, concise statement of the facts. The form shall instruct an unclassified employe to make a short, plain, concise statement of the reason or cause given for his dismissal; and

(d) Upon receipt of the appeal by the board, the appointing authority and the department of personnel shall be notified and the board shall schedule a hearing within the time limits prescribed by this section.

(16) [(17)] All notices from the board shall be in writing. Notices shall be written so as to be understood by non-attorneys.

(17) [(18)] (a) The appealing employe and the appointing authority whose action is reviewed shall have the right to be heard publicly and to be represented by counsel to present evidentiary facts;

(b) Except as provided herein, an appeal shall be decided by the board only after a hearing. The board shall not deny, reject or sustain an appeal, or make any other determination relating to an appeal, except after a hearing is conducted pursuant to the provisions of this section;

(c) The board may deny a hearing to an employe who has failed to file an appeal within the time prescribed by this section; and to an unclassified employe who has failed to state the cause for which he has been dismissed. The board shall notify the employe of its denial in writing and shall inform the employe of his right to appeal such denial under the provisions of KRS 18A.100;

(d) Any investigation by the board of any matter related to an appeal filed by an employe shall be conducted only upon notice to the employe, the employe's counsel, and the appointing authority. All parties to the appeal shall have access to information produced by such investigations and such information shall be presented at the hearing. Any party to the hearing shall be permitted an adequate opportunity to rebut or comment upon such information;

(e) Each appeal shall be decided on its merits and the board shall base its decision upon the evidence, facts and information contained in the record.

(18) [(19)] At the hearing of such appeals, technical rules of evidence shall not apply. Upon its own motion or upon request by a party, the board may require the production by a party, a state employe or a state agency of documents, records and other material relevant to the appeal.

(19) [(20)] Each appeal shall be decided individually, unless otherwise agreed by the parties and the board. The board shall not:

- (a) Employ class action procedures; or
- (b) Conduct test representative cases.

(20) [(21)] Except as authorized by law, a board member or an employe of the board shall neither initiate, participate in, nor consider ex parte communications concerning a pending or impending proceeding before the board. Board members shall abstain from public comment about a pending or impending proceeding before the board, and shall require similar abstention on the part of board personnel subject to the board's direction and control. This shall not prohibit board members from making public statements in the course of their official duties or from explaining for public information the procedures of the board.

(21) [(22)] (a) An appeal to the board may be heard by:

1. The full board;

2. Two (2) non-elected board members;
3. A non-elected member of the board and its executive director;
4. A non-elected member of the board and a hearing officer;
5. The executive director and a hearing officer; or
6. The general counsel of the board and either a non-elected member of the board, the executive director or a hearing officer;

(b) Any appeal heard by less than the full board shall be reviewed by the full board before a final order of the board is issued:

1. Prior to a final order of the board, the board shall provide a copy of the findings of fact and recommendations to the parties to the appeal and shall provide them with an opportunity to submit written exceptions and responses to such findings of fact and recommendations. At the request of a party or on its own motion, the board shall permit oral argument before the full board. Such request shall be filed with the board within fifteen (15) days of the recommended order issued by a member, the executive director, or a hearing officer; and

2. The board shall review the record of the evidence presented, the findings of fact and recommendations of the hearing officer, and the written exceptions and responses filed by parties to the appeal.

(22)(23) (a) If the board finds that the action complained of was taken by the appointing authority in violation of laws prohibiting favor for, or discrimination against, or bias with respect to his political or religious opinions or affiliations or ethnic origin, or in violation of laws prohibiting discrimination because of such individual's sex or age or handicap, the appointing authority shall, immediately reinstate the employee to his former position or a position of like status and pay, without loss of pay for the period of his penalization, or otherwise make the employee whole:

(b) If the board finds that the action complained of was taken without just cause, the board shall order the immediate reinstatement of the employee to his former position or a position of like status and pay, without loss of pay for the period of his penalization, or otherwise make the employee whole;

(c) If the board finds that the action taken by the appointing authority was excessive or erroneous in view of all the surrounding circumstances, the board shall alter, modify or rescind the disciplinary action;

(d) In all other cases, the board shall rescind the action taken or otherwise grant such other relief to which the employee is entitled.

(23)(24) If a final order of the board is appealed, a court shall award reasonable attorney fees to an employee who prevails by a final adjudication on the merits as provided by KRS 453.260. Such award shall not include attorney fees attributable to the hearing before the board.

(24)(25) When any employee is dismissed and not ordered reinstated after such appeal, the board in its discretion may direct that his name be placed on an appropriate reemployment list for employment in any similar position other than the one from which he had been removed.

(25)(26) After a final decision has been rendered by the board or court, an employee who prevails in his appeal shall be credited with the amount of leave time used for time spent at his hearing before the board or court. Employees who had an insufficient amount of leave time shall be credited with leave time equal to the amount of time spent at their hearings before the board or court.

(26)(27) The board shall, within sixty (60) days after an appeal is filed, hear the appeal, and shall, within ninety (90) days after an appeal is filed, issue a final determination for the disposition thereof.

(27)(28) If the appointing authority appeals the final order of the board, unless the board rules otherwise, the reinstated employee shall remain in his former position, or a position of like status or pay, until the conclusion

of the appeals process, at which time the appointing authority shall take action in accordance with the court order.

Section 4. KRS 18A.355 is amended to read as follows:

(1) An annual increment of not less than five percent (5%) of the base salary or wages of each state employee shall be granted to each employee on his anniversary date. The employee's base salary or wages shall be increased by the amount of the annual increment. When any increment due to a promotion, reallocation, reclassification or salary adjustment is granted an employee, the employee's base salary or wages shall be increased by the amount of such increment. ~~[An employee's base salary or wages shall not be increased by the amount of lump-sum payment awarded under the provisions of KRS 18A.112 awarded him.]~~

(2) The branch budget recommendation submitted to the general assembly under KRS Chapter 48 shall include a request for the amount of the annual increment expressed as a percentage of each employee's base salary or wages and a request for the total appropriation needed to fund the annual increment. The annual increment shall be uniform for all employees. The financial plan enacted under the provisions of KRS 48.300 shall contain the annual increment expressed as a percentage of each employee's base salary or wages, and the total appropriation needed to fund the annual increment.

(3) The budget reduction plan submitted and enacted under the provisions of KRS Chapter 48 shall provide that a reduction of the annual increment granted under this section shall be made only after other cost savings measures, as provided by KRS 18A.1132, are taken. Any such reduction shall be uniform for all state employees and shall comply with the provisions of this chapter and KRS Chapter 48.

Section 5. The following KRS section is repealed:

18A.112 Performance evaluations.

SB 297. AN ACT relating to the commission on fire protection personnel standards and education.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 95A.020 is amended to read as follows:

(1) There is hereby created *an independent commission to be known as* the commission on fire protection personnel standards and education, hereinafter called "commission" which shall be attached, *for administrative support services only, to, but not under the control of,* the state fire marshal's office in the department of housing, buildings and construction.

(2) The commission shall be composed of sixteen (16) members, residents of the state of Kentucky, appointed by the governor. Such members should be persons well qualified by experience or education in the field of fire protection or related fields.

(3) It is recommended that the membership of the commission include:

(a) Two (2) volunteer firemen;

(b) Two (2) paid fire fighters;

(c) One (1) trustee of a volunteer fire department or fire district who is not a volunteer fireman;

(d) Two (2) fire chiefs of paid fire departments;

(e) One (1) licensed and practicing physician;

(f) One (1) teacher or administrator of vocational education;

(g) One (1) representative of the division of disaster and emergency services of the department of military affairs;

(h) One (1) mayor of a Kentucky city;

(i) One (1) county judge/executive;

(j) One (1) representative of Kentucky industry or business enterprise; and

(k) One (1) representative of the general public.

The superintendent of public instruction and the state fire marshal, or their designees, shall serve as ex officio members of the commission. Their designees shall have full voting rights. Appointive members shall be appointed for a term of four (4) years, provided, however, that of the members first appointed, five (5) shall be appointed for a term of two (2) years, four (4) for a term of three (3) years, and four (4) for a term of four (4) years. After July 15, 1980, any member chosen by the governor to fill a vacancy created otherwise than by expiration of term shall be appointed for the unexpired term of the member he is chosen to succeed.

(4) Members of the commission shall receive no compensation for their services but shall be allowed their actual and necessary expenses incurred in the performance of their functions hereunder.

(5) Members of the commission appointed pursuant to this section shall first be appointed on July 15, 1980. The terms of members appointed earlier shall terminate on July 15, 1980, but the governor may reappoint those members who qualify under the provisions of this section.

Section 2. KRS 95A.040 is amended to read as follows:

(1) The commission shall have authority to make full and complete studies, recommendations and reports to the governor and the legislature for the purpose of:

(a) Suggesting minimum standards and education of fire protection personnel appointed to positions in municipal fire departments, who are to be engaged in fire protection to include fire suppression, fire prevention, arson investigation and other allied fields;

(b) Suggesting basic minimum courses of training for fire protection personnel;

(c) Suggesting procedure for the certification of fire protection personnel and the certification of fire protection instructors.

(2) The commission shall have the authority to:

(a) Certify fire protection training and education programs as having attained the minimum required standards suggested by such commission;

(b) Certify instructors as having qualified as fire protection instructors under such conditions as the commission may prescribe;

(c) Direct research in the field of fire protection and accept gifts and grants for such purposes;

(d) Recommend curricula for advanced courses and seminars in fire science training in colleges and institutions of higher education.

(3) The commission shall have authority to receive and to the extent required by federal law to disburse all grants and funds from the federal government for the purpose of fire protection personnel training and education. Except as otherwise provided by law, the *commission* [department of insurance] shall administer all state programs and all state and federally funded grant programs related to fire protection personnel training and education *and other fire service programs*.

(4) *The commission shall have the authority to:*

(a) *Employ an administrator and such other employes as they deem necessary.*

(b) *Make such expenditures as they deem necessary, consistent with the mission of the commission.*

(c) *Issue such administrative regulations as are necessary for the function of the commission or its programs.*

(5) *The administrator shall:*

(a) *Manage the employes and day to day functions of the commission;*

(b) *Invest, according to the policies of the commission, funds belonging to the commission;*

(c) *Receive, make recommendations upon, and monitor funding requests and grants of money made by the commission;*

(d) *Be responsible only to the commission for his actions; and*

(e) *Perform such other duties as may be assigned by the commission.*

Section 3. KRS 95A.050 is amended to read as follows:

In carrying out its duties and responsibilities the commission shall have the following additional duties:

(1) To meet at such times and places in the state of Kentucky as it deems proper; meetings shall be called by the chairman upon his own motion, or upon the written request of five (5) members; *and*

(2) To contract with other agencies, public or private, or persons, as it deems necessary for the rendition and affording of such services, facilities, studies, and reports as it may require to cooperate with city, county, state and federal agencies in training programs[;

~~(3) To recommend to the commissioner of housing, buildings and construction for promulgation reasonable rules and regulations relating to fire protection personnel].~~

Calendar

SB 37, HR 163, HCR 141, SB 235, SCR 82, SB 265, SB 283, SJR 17, SJR 65, SB 300, SB 245, SB 376, SB 280, SB 306, SB 324, SB 333, SB 293, SB 338, SB 343, SB 377, SB 167, SB 239, SB 275, SB 35, SB 157, SB 130, SB 212, SB 294, SJR 42, SB 353 and SB 328 taken from the Calendar and ordered read at length for the second time. Representative Stumbo moved that they be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Consent Calendar

SB 331 taken from the Consent Calendar and ordered read at length for the second time. Representative Stumbo moved that it be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Representative Stumbo inquired whether the motion made on March 23, 1988 to waive the three day posting requirement was in effect on **SB 385**.

The Speaker ruled the three day posting requirement on **SB 385** is in effect. (Three day posting on **SB 385** not waived.)

Representative Guenther moved that the rules be suspended to introduce and act upon a Resolution. Agreed.

HR 191, by Representative Guenther: A RESOLUTION congratulating the Ballard High School basketball team for winning the 1988 Boys' State Basketball Championship and adjourning in honor thereof.

Representative Guenther moved the adoption of the following **HR 191**:

HR 191. A RESOLUTION congratulating the Ballard High School basketball team for winning the 1988 Boys' State Basketball Championship and adjourning in honor thereof.

WHEREAS, in the showdown in Louisville, Kentucky, on Saturday, March 19, 1988, the Ballard High School Bruins defeated the Clay County Tigers 88 to 79 to win the seventy-first Boys' State Basketball Tournament; and

WHEREAS, the Ballard High School Bruins ended the 1987-88 season with a memorable 18 straight victories and a 36 to 3 record; and

WHEREAS, the success of the Ballard Bruins this season is attributable to disciplined and unselfish team play; and

WHEREAS, Coach Scott Davenport and Assistant Coaches Mark Bugg, John Witten and Terry Howard must be recognized for their genius as basketball coaches;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That this body extends its congratulations to the Ballard High School Bruins for winning the 1988 Boys' State Basketball Championship.

Section 2. That when the House of Representatives adjourns this day, Thursday, March 24, 1988, it does so in honor of the 1988 Boys' State Basketball Champions, the Ballard High School Bruins.

Section 3. That the Clerk of the House of Representatives is directed to transmit copies of this resolution to Coach Scott Davenport, Assistant Coaches Mark Bugg, John Witten and Terry Howard, and team players Mark Bell, Eric McDuffie, Woody Axton, Todd Howard, Allan Houston, Kenneth Martin, Kevin Brown, Charles McDuffie, Shaan Johnson, Diogenes Miller, Creed Fasoldt, Scott Gardner, Theo Spencer, Matt Baxter and Eric Gathright, Ballard High School, 6000 Brownsboro Road, Louisville, Kentucky, 40222.

HR 191 was adopted by voice vote.

Representative Gray moved the rules be suspended to act upon a Legislative Citation. Agreed.

Representative Gray moved the adoption of Legislative Citation No. 100. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby remembers JAMES SHELBY McCALLUM who was born in Humboldt, Tennessee in January, 1917, migrated to Western Kentucky and, after serving in World War II, went into business in Benton, Kentucky. He made friends with Ned Breathitt who encouraged him to go into politics. After running successfully for State Representative he served in the House for eighteen years, two years of which he was Speaker of the House under the Governorship of Ned Breathitt. In the legislature, Shelby battled for many good government causes including bringing a local of Operating Engineers to Kentucky, aiding dairy farmers, helping pass the first civil rights law in a southern state, and leading the way for a law to reclaim strip mined land. He found time to attend Murray State University, helped make Murray State a regional university with masters degrees in many areas, served on the Kentucky Educational Television Board, Kentucky State Ethics Board and the Communications Advisory Board at Murray State. He served on the Railroad Commission; Pritchard Commission on Higher Education; was a Shriner, Rotarian, Methodist and encouraged TVA to give funding to affected counties in lieu of tax payments instead of to the general fund. Benton and the entire state owes a debt of gratitude to him for his foresight and tenacity.

Let us remember JAMES SHELBY McCALLUM as an outstanding public servant for his country, his

state, Marshall County and Benton, Kentucky. (Sponsored by Representative Gray)

Orders of the Day

SB 197 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Hatcher moved that **SB 197** be passed.

On the roll call the vote was: Yeas 90, Nays 0. (See March 24, 1988 roll call on **SB 197** - Appendix A.)

SB 197 was passed and the title agreed to.

Representative Hatcher moved that the vote by which **SB 197** was passed be reconsidered and said motion be placed on the table. Agreed.

Representative Stumbo moved that **HB 174** be recommitted to the Committee on Appropriations and Revenue. Agreed.

SB 14, with Floor Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Gregory moved that **SB 14** be passed.

On the roll call the vote was: Yeas 82, Nays 1. (See March 24, 1988 roll call on **SB 14** - Appendix A.)

SB 14 was passed and the title agreed to.

Representative Gregory moved that the vote by which **SB 14** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 134 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Ridley moved that **SB 134** be passed.

On the roll call the vote was: Yeas 88, Nays 0. (See March 24, 1988 roll call on **SB 134** - Appendix A.)

SB 134 was passed and the title agreed to.

Representative Ridley moved that the vote by which **SB 134** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 88, with Committee Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative J. Harper moved the adoption of Committee Amendment No. 1 to **SB 88**. Agreed.

Representative Burch moved that **SB 88**, as amended, be passed.

On the roll call the vote was: Yeas 53, Nays 36. (See March 24, 1988 roll call on **SB 88** - Appendix

A.)

SB 88, as amended, was passed and the title agreed to.

Representative Burch moved that the vote by which **SB 88**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 224, with Floor Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Strong moved the adoption of Floor Amendment No. 1 to **SB 224**. Agreed.

Representative Strong moved that **SB 224**, as amended, be passed.

On the roll call the vote was: Yeas 87, Nays 4. (See March 24, 1988 roll call on **SB 224** - Appendix A.)

SB 224, as amended, was passed and the title agreed to.

Representative Strong moved that the vote by which **SB 224**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 264 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Stumbo moved that **SB 264** be passed.

On the roll call the vote was: Yeas 89, Nays 0. (See March 24, 1988 roll call on **SB 264** - Appendix A.)

SB 264 was passed and the title agreed to.

Representative Stumbo moved that the vote by which **SB 264** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 104, with Committee Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Johnson moved the adoption of Committee Amendment No. 1 to **SB 104**. Agreed.

Representative Johnson moved that **SB 104**, as amended, be passed.

On the roll call the vote was: Yeas 83, Nays 4. (See March 24, 1988 roll call on **SB 104** - Appendix A.)

SB 104, as amended, was passed.

Representative Johnson moved the adoption of Committee Title Amendment to **SB 104**. Agreed; and the title was agreed to.

Representative Johnson moved that the vote by which **SB 104**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 49 taken from the Orders of the Day and ordered read at length for the third time. Representative

Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Barrows moved that **SB 49** be passed.

On the roll call the vote was: Yeas 91, Nays 0. (See March 24, 1988 roll call on **SB 49** - Appendix A.)

SB 49 was passed and the title agreed to.

Representative Barrows moved that the vote by which **SB 49** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 303 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative T. Jones moved that **SB 303** be passed.

On the roll call the vote was: Yeas 92, Nays 0. (See March 24, 1988 roll call on **SB 303** - Appendix A.)

SB 303 was passed and the title agreed to.

Representative T. Jones moved that the vote by which **SB 303** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 180, with Floor Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Long moved that **SB 180** be passed.

On the roll call the vote was: Yeas 80, Nays 6. (See March 24, 1988 roll call on **SB 180** - Appendix A.)

SB 180 was passed and the title agreed to.

Representative Long moved that the vote by which **SB 180** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 6, with Floor Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Blevins moved the adoption of Floor Amendment No. 1 to **SB 6**.

Representative Farrow inquired whether Floor Amendment No. 1 to **SB 6** was germane to the Bill.

The Speaker ruled that Floor Amendment No. 1 to **SB 6** was not germane to the Bill.

Representative Cyrus moved that **SB 6** be passed.

On the roll call the vote was: Yeas 92, Nays 0. (See March 24, 1988 roll call on **SB 6** - Appendix A.)

SB 6 was passed and the title agreed to.

Representative Cyrus moved that the vote by which **SB 6** was passed be reconsidered and said motion be placed on the table. Agreed.

Report on Enrolled Bills

The Committee on Enrollment reported **SB 11, SB 23, SB 24, SB 65, SB 163** and **SB 184** had been examined and found correctly enrolled. Said Bills read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate. (Time - 3:00 p.m.)

Orders of the Day (continued)

SB 192 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Morris moved that **SB 192** be passed.

On the roll call the vote was: Yeas 93, Nays 0. (See March 24, 1988 roll call on **SB 192** - Appendix A.)

SB 192 was passed and the title agreed to.

Representative Morris moved that the vote by which **SB 192** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 195 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative T. Jones moved that **SB 195** be passed.

On the roll call the vote was: Yeas 93, Nays 0. (See March 24, 1988 roll call on **SB 195** - Appendix A.)

SB 195 was passed and the title agreed to.

Representative T. Jones moved that the vote by which **SB 195** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 141 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Cyrus moved that **SB 141** be passed.

On the roll call the vote was: Yeas 82, Nays 5. (See March 24, 1988 roll call on **SB 141** - Appendix A.)

SB 141 was passed and the title agreed to.

Representative Cyrus moved that the vote by which **SB 141** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 210 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Stumbo moved that **SB 210** be passed.

On the roll call the vote was: Yeas 93, Nays 0. (See March 24, 1988 roll call on **SB 210** - Appendix A.)

SB 210 was passed and the title agreed to.

Representative Stumbo moved that the vote by which **SB 210** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 213 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Stumbo moved that **SB 213** be passed.

On the roll call the vote was: Yeas 90, Nays 1. (See March 24, 1988 roll call on **SB 213** - Appendix A.)

SB 213 was passed and the title agreed to.

Representative Stumbo moved that the vote by which **SB 213** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 215 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Stumbo moved that **SB 215** be passed.

On the roll call the vote was: Yeas 89, Nays 0. (See March 24, 1988 roll call on **SB 215** - Appendix A.)

SB 215 was passed and the title agreed to.

Representative Stumbo moved that the vote by which **SB 215** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 236 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Stumbo moved that **SB 236** be passed.

On the roll call the vote was: Yeas 88, Nays 0. (See March 24, 1988 roll call on **SB 236** - Appendix A.)

SB 236 was passed and the title agreed to.

Representative Stumbo moved that the vote by which **SB 236** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 158, with Committee Amendment and Floor Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Blevins moved the adoption of Committee Amendment No. 1 to **SB 158**. Agreed.

Representative Blevins moved that **SB 158**, as amended, be passed.

On the roll call the vote was: Yeas 91, Nays 2. (See March 24, 1988 roll call on **SB 158** - Appendix A.)

SB 158, as amended, was passed and the title agreed to.

Representative Blevins moved that the vote by which **SB 158**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 225 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Hancock moved that **SB 225** be passed.

On the roll call the vote was: Yeas 92, Nays 0. (See March 24, 1988 roll call on **SB 225** - Appendix A.)

SB 225 was passed and the title agreed to.

Representative Hancock moved that the vote by which **SB 225** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 240 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Hancock moved that **SB 240** be passed.

On the roll call the vote was: Yeas 92, Nays 0. (See March 24, 1988 roll call on **SB 240** - Appendix A.)

SB 240 was passed and the title agreed to.

Representative Hancock moved that the vote by which **SB 240** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 242 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Little moved that **SB 242** be passed.

On the roll call the vote was: Yeas 91, Nays 0. (See March 24, 1988 roll call on **SB 242** - Appendix A.)

SB 242 was passed and the title agreed to.

Representative Little moved that the vote by which **SB 242** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 218 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Hourigan moved that **SB 218** be passed.

On the roll call the vote was: Yeas 86, Nays 5. (See March 24, 1988 roll call on **SB 218** - Appendix A.)

SB 218 was passed and the title agreed to.

Representative Hourigan moved that the vote by which **SB 218** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 277 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative M. Brown moved that **SB 277** be passed.

On the roll call the vote was: Yeas 76, Nays 7. (See March 24, 1988 roll call on **SB 277** - Appendix A.)

SB 277 was passed and the title agreed to.

Representative M. Brown moved that the vote by which **SB 277** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 288 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative T. Jones moved that **SB 288** be passed.

On the roll call the vote was: Yeas 80, Nays 6. (See March 24, 1988 roll call on **SB 288** - Appendix A.)

SB 288 was passed and the title agreed to.

Representative T. Jones moved that the vote by which **SB 288** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 304 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative LeMaster moved that **SB 304** be passed.

On the roll call the vote was: Yeas 79, Nays 0. (See March 24, 1988 roll call on **SB 304** - Appendix A.)

SB 304 was passed and the title agreed to.

Representative LeMaster moved that the vote by which **SB 304** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 305 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative P. Richardson moved that **SB 305** be passed.

On the roll call the vote was: Yeas 77, Nays 4. (See March 24, 1988 roll call on **SB 305** - Appendix

A.)

SB 305 was passed and the title agreed to.

Representative P. Richardson moved that the vote by which **SB 305** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 314 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Johnson moved that **SB 314** be passed.

A.) On the roll call the vote was: Yeas 84, Nays 2. (See March 24, 1988 roll call on **SB 314** - Appendix

SB 314 was passed and the title agreed to.

Representative Johnson moved that the vote by which **SB 314** was passed be reconsidered and said motion be placed on the table. Agreed.

Recess

Representative Stumbo moved that the House recess for five minutes for a meeting of the Committee on Rules in the Speaker's office. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Motions, Petitions and Communications (continued)

Representative Noland moved that the rules be suspended to act upon a Resolution. Agreed.

Representative Noland moved the adoption of the following **HR 186**:

HR 186. A RESOLUTION directing the Secretary of the Transportation Cabinet to name the new rest area on the Mountain Parkway for Junior Williamson.

WHEREAS, Mr. Junior Williamson of Pikeville has devoted much of his time and attention to assisting the General Assembly and by this service can count many of those serving and those who have served in the past as his friends; and

WHEREAS, Mr. Williamson's office in the legislative area of the annex is a place where members can congregate for all purposes, whether it be discussion of pertinent issues, simple relaxation or friendly conversation during the stressful days of the General Assembly session; and

WHEREAS, Junior's consistently friendly nature and loyalty to all members of the General Assembly has garnered him the nickname of House "101"; and

WHEREAS, it was during one of Junior's many excursions between Pikeville and Frankfort on the Mountain Parkway that the closing of the previous rest area and the inconvenience caused to travellers was first unveiled;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Secretary of Transportation be directed to name the rest area on the Mountain Parkway at the Slade-Natural Bridge Interchange, the Junior Williamson Rest Area.

Section 2. That a copy of this resolution be sent to the Secretary of the Kentucky Transportation Cabinet.

On the roll call the vote was: Yeas 77, Nays 0. (See March 24, 1988 roll call on **HR 186** - Appendix A.).

HR 186 was adopted.

Representative Noland moved that the vote by which **HR 186** was adopted be reconsidered and said motion be placed on the table. Agreed.

Representative Johnson moved the rules be suspended to act upon Legislative Citations. Agreed.

Representative Johnson moved the adoption of Legislative Citations No. 105, 106, and 104. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby congratulates and applauds KENTUCKY WESLEYAN COLLEGE PANTHERS on your 1987 NCAA Division II National Basketball Championship title. With Coach Wayne Chapman at the helm, your 27-5 season record was certainly impressive and brought a great deal of recognition and pride to your school. In addition to a National Championship, Coach Chapman brought further recognition to your school by being chosen Coach of the Year. With only one starter returning from that championship team, the Panthers have far exceeded expectations this season by their 23-7 record, and finish of Runner-Up in the NCAA Great Lakes Regionals.

The House of Representatives joins Representative Louis Johnson in saluting you and wishes you continued success in your athletic endeavors. (Sponsored by Representative Johnson)

The House of Representatives of the Commonwealth of Kentucky hereby congratulates and applauds MARK HIGGS running back for the University of Kentucky Wildcat football team, for your contributions during your collegiate career on the gridiron. Your hard work and dedication to the team and the game of football have been evident over the years and your many achievements will be remembered.

The House of Representatives joins Representative Louis Johnson in commending you for your contributions to Wildcat football and wish you every success in your future endeavors. (Sponsored by Representative Johnson)

The House of Representatives of the Commonwealth of Kentucky hereby congratulates and applauds DR. LUTHER WESLEY WHITE, III the 26th President of Kentucky Wesleyan College, for your contributions and dedication to educational excellence in higher education. Not only have you become an integral part of Kentucky Wesleyan, but also the community of Owensboro with your participation in Junior Achievement, the Owensboro Symphony and as a Rotarian. As you and Patricia leave, after having served for nine years, to enjoy retirement in your native Virginia, you do so with many pleasant memories of the Commonwealth and carry with you the best wishes and gratitude of this prestigious body.

The House of Representatives joins Representative Louis Johnson in commending you for your many contributions to Kentucky Wesleyan College. (Sponsored by Representative Johnson)

Representative Lear moved that the rules be suspended to waive posting. Agreed.

Representative Lear moved that the three day posting requirement be waived on **SB 385**.

On the roll call the vote was yeas 30-Ark. Arnold, Barrows, Bronger, L. Clark, Clarke, Curd, Ford, Freibert, Gray, Heleringer, T. Jones, Lear, LeMaster, Lile, Long, Mack, Maggard, Meyer, Moberly, Morris, O'Brien, Priddy, Pritchett, Riner, Scorsone, Strong, Turner, Walker, Will. Nays 29-Adams, Altman, Blandford, Blevins, J. Brown, Callahan, Castleman, Cline, Cyrus, Gedling, Geveden, Gregory, Guenther, Handy, J. Harper, Hatcher, Hoover, Hourigan, Jackson, Johnson, A. Jones, Lefevers, Lyne, Mason, Noland, Northup, Preston, Reinhardt, Seum.

The motion to waive the three day posting requirement on **SB 385** was rejected.

Representative Cline moved that the rules be suspended to act upon a Resolution. Agreed.

Representative Cline moved the adoption of the following **HR 187**:

HR 187. A RESOLUTION honoring West Carter High School's girls' basketball team, the Lady Comets.

WHEREAS, the Lady Comets amassed an impressive record of 26 wins and 6 losses; and

WHEREAS, under the superb coaching of John C. "Hop" Brown and Assistant Coach Von Perry, the Lady Comets are now entering the Girls' Sweet Sixteen; and

WHEREAS, this is the Lady Comets first State Tournament appearance; and

WHEREAS, the Lady Comets of West Carter High School have shown great determination, spirit and skill;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That this honorable body congratulates the Lady Comets for superb effort in winning the 16th Region title and wishes them well in the Sweet Sixteen State Tournament.

Section 2. That the House of Representatives proudly honors the West Carter High School Lady Comets and Coach John C. "Hop" Brown, Assistant Coach Von Perry, and Managers Dana Smith, Lee Ann Clay, and Mike Veornes.

Section 3. That the House hails team members Brenda English, Missy Greenhill, Kim Brown, Carla McDowell, Gina Taylor, Amy Mays, Samantha Layne, Shelia Porter, Carolee Barker, Stephanie Rayburn, Madonna Tacket, Tammie McGlone, and Scorer Christie Lowe.

Section 4. That the Clerk of the House of Representatives is directed to transmit copies of this resolution to Coach John C. "Hop" Brown to distribute to the assistant coach, managers, scorer and team members.

HR 187 was adopted by voice vote.

Representative Siler moved that the rules be suspended to introduce and act upon a Resolution. Agreed.

HR 192, by Representative Siler: A RESOLUTION recognizing and encouraging the use of the Armed Services Vocational Aptitude Battery testing program in Kentucky's secondary schools.

Representative Siler moved the adoption of the following **HR 192**:

HR 192. A RESOLUTION recognizing and encouraging the use of the Armed Services Vocational Aptitude Battery testing program in Kentucky's secondary schools.

WHEREAS, it is the responsibility of the Commonwealth and its school districts to provide all the quantifiable information needed by students in determining their educational and vocational pursuits; and

WHEREAS, the Armed Forces of the United States utilizes the Armed Services Vocational Aptitude Battery to determine the capabilities of young people entering the military service; and

WHEREAS, the Armed Services Vocational Aptitude Battery is offered by the Department of Defense in schools throughout the Commonwealth of Kentucky at no cost; and

WHEREAS, the Armed Services Vocational Aptitude Battery provides one of the best vocational aptitude indexes in the United States with reliability coefficients of over 90% in both the academic and occupational composites; and

WHEREAS, during the past two years Kentucky's educational system has greatly increased the use of the Armed Services Vocational Aptitude Battery, with over 82% of Kentucky's high schools offering this test to students; and

WHEREAS, the results of the Armed Services Vocational Aptitude Battery cannot only be used to determine the vocational and academic aptitudes of students but also provide counselors and teachers with information that is vital to guiding and facilitating student learning;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House of Representatives of the General Assembly does hereby express its approval of the use of the Armed Services Vocational Aptitude Battery by the secondary schools of Kentucky and does further encourage all school districts to consider its use as a reliable, cost-saving method of measuring students' vocational and academic aptitudes.

Section 2. That the House of Representatives of the General Assembly recognizes that the administration of vocational aptitude and educational assessment instruments such as the Armed Services Vocational Aptitude Battery does constitute "actual school work" for purposes of KRS 158.060, which requires six hours of actual school work in a school day.

Section 3. That a copy of this resolution be forwarded to the Superintendent of Public Instruction and the State Board of Education.

HR 192 was adopted by voice vote.

Representative Bronger moved the rules be suspended to act upon a Legislative Citation. Agreed.

Representative Bronger moved the adoption of Legislative Citation No. 122. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby recognizes and applauds ANNA INGANAS an exchange student from Hanger, Sweden attending Holy Cross High School. You are a welcome addition to the junior class of your new school as well as to your host family, the Jim Bentleys. We hope your stay in Kentucky will be not only a time of learning about the customs and peoples of this great state, but also one of enjoyment for you.

The House of Representatives joins Representative Jerry Bronger in extending best wishes for a happy and informative stay in our Commonwealth.

Representative Blevins moved the rules be suspended to act upon Legislative Citations. Agreed.

Representative Blevins moved the adoption of Legislative Citations No. 123 and 124. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby congratulates and applauds CAPTAIN ILSE DEHNER of the ROWAN COUNTY CHEERLEADING SQUAD for your contributions to the Vikings. You are to be commended for the many awards you have won both at the Universal Cheerleading Association and KAPOs competitions. Especially noteworthy is the UCA National Finalists award and the KAPOs award of 2nd Place at the Sweet Sixteen In Game competition. The hard work and school spirit you have exhibited have made you a vital part of the cheerleading squad.

The House of Representatives joins Representative Walter Blevins in saluting you for a job well done and recognizing the pride and honor you have bestowed on your school and your community. (Sponsored by Representative Blevins)

The House of Representatives of the Commonwealth of Kentucky hereby cites and recognizes COACH TIM G. MOORE of the ROWAN COUNTY VIKINGS for an outstanding basketball season and your record of 25-8. Your impressive wins to capture the 61st District and 16th Region Championships led to your participation in the 71st Boys State Tournament in Louisville. This prestigious honor has been a result of

many hours of hard work, dedication and a positive team effort.

The House of Representatives joins Representative Walter Blevins in commending you for your efforts and acknowledges the pride and honor you have bestowed upon your school and your community. (Sponsored by Representative Blevins)

Representative Callahan moved the rules be suspended to act upon a Legislative Citation. Agreed.

Representative Callahan moved the adoption of Legislative Citation No. 119. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby honors and applauds PAUL W. HOWARD for your many years of loyalty and devotion to the city of Wilder. You have served your community well using your many talents as councilman, mayor, member of the volunteer fire department and other civic activities too numerous to mention and have been a major factor in bringing the City of Wilder to the achievement level it is today. Your dedication has not only enhanced the quality of life in Wilder but the entire Northern Kentucky community.

The House of Representatives commends you, Paul W. Howard, for the remarkable contribution you have made to the people of Northern Kentucky. (Sponsored by Representative Callahan)

Representative Meyer moved that the rules be suspended to introduce and act upon a Resolution. Agreed.

HR 188. by Representative Meyer: A RESOLUTION requesting the Kentucky Department for Local Government to research and make recommendations regarding the feasibility of a uniform reporting system and the development of related computerized data programs.

Representative Meyer moved the adoption of the following **HR 188**:

HR 188. A RESOLUTION requesting the Kentucky Department for Local Government to research and make recommendations regarding the feasibility of a uniform reporting system and the development of related computerized data programs.

WHEREAS, no uniform accounting and reporting system for local governments exists, making it nearly impossible to gauge the financial stability of such governmental units; and

WHEREAS, the lack of such a system makes it nearly impossible to gauge the impact and use of state and federal funds by local governments; and

WHEREAS, the lack of uniform, reliable, financial data from local governments makes it extremely difficult to prepare accurate financial impact analyses and to make sound, effective legislative decisions;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Kentucky Department of Local Government be requested to study and report as to the feasibility of the development of uniform reporting and accounting systems for local governments.

Section 2. That such reports take into consideration the utilization of computerized data systems for the gathering and compilation of financial information data from local governments.

Section 3. That such report be completed by October 1, 1989 for distribution to the members of the General Assembly and the general public.

HR 188 was adopted by voice vote.

Representative Seum moved the rules be suspended to act upon Legislative Citations. Agreed.

Representative Seum moved the adoption of Legislative Citations No. 120 and 121. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby commends and applauds THOMAS JEFFERSON MIDDLE SCHOOL for the thoughtful encouragement of instilling the importance of community involvement in your students. The students have been supported by their teachers in their campaign to obtain legislative approval of House Joint Resolution 3. Further, the teaching staff is commended for their insight to future awareness in today's society.

The House of Representatives honors you for your dedication to the students of THOMAS JEFFERSON MIDDLE SCHOOL. (Sponsored by Representative Seum)

The House of Representatives of the Commonwealth of Kentucky hereby commends the astute and statesmanlike manner in which John Samual Hosbach handled your role in seeking passage for House Joint Resolution 3, that was approved by the Kentucky House of Representatives. Your responsible manner in drafting the legislation and working with state lawmakers to utilize the legislative process is recognized.

The House of Representatives encourages your interest in state government and applauds your responsibility in stepping forward to assume an interested role in the improvement of our Commonwealth.

(Sponsored by Representative Seum)

Representative J. Brown moved the rules be suspended to act upon a Legislative Citation. Agreed.

Representative J. Brown moved the adoption of Legislative Citation No. 98. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby congratulates and applauds the Graham High School Varsity Cheerleading squad for the support you have given to the girls and boys basketball teams of your school. It is especially noteworthy that the schools cheerleading squads have won the 10th District and 3rd Region competitions from 1984-1988. The squads have participated in State-at-Large competitions held in conjunction with the State Tournament and served as official hostesses for several years. You can be very proud of winning many sportsmanship and pep awards at both the regional and state level.

The House of Representatives joins Representative Jimmy Brown in honoring you and wishes you every success in your future endeavors. (Sponsored by Representative J. Brown)

Representative Geveden moved the rules be suspended to act upon a Legislative Citation. Agreed.

Representative Geveden moved the adoption of Legislative Citation No. 116. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby congratulates and applauds KENNETH TURNER for your contributions to broadcasting over the past 50 years. Not only have you been successful in your career, but you have also been an outstanding citizen of Fulton. Your years of public service as a member of the City Commission and as Mayor have played a significant roll in the development of your community and your service to your neighbors as their Pastor has touched a great many lives.

The House of Representatives joins Representative Charles Geveden in honoring you and wishing you and your family every success at WKZT—the radio station now bearing your initials.

Representative Strong moved the rules be suspended to act upon Legislative Citations. Agreed.

Representative Strong moved the adoption of Legislative Citations No. 112, 113, 114, and 115. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby cites and recognizes JESSE HORN Perry County Court Clerk for your twelve years of leadership and unselfish dedication to your community. As a lifelong resident of Perry County you have not only observed its growth and development, you have been in a position as an attorney and public servant to contribute to it in many ways.

The House of Representatives joins Representative Bill Strong in gratefully acknowledging your

contributions to Perry County and the Commonwealth of Kentucky. (Sponsored by Representative Strong)

The House of Representatives of the Commonwealth of Kentucky hereby cites and recognizes GRACE HOLLIDAY STRONG for your eighteen years of dedicated service as Circuit Court Clerk of Perry County. You have contributed greatly to the citizens of your county not only as a public servant but also as a teacher.

The House of Representatives joins Representative Bill Strong in commending you for your meritorious service and wishes you every success in your future endeavors.

The House of Representatives of the Commonwealth of Kentucky hereby congratulates and applauds HOMER L. OSBORNE for your fourteen years as a school board member of the Hazard City Schools. Because of your hard work and dedication as a board member and businessman you have contributed to the growth and prosperity of your county.

The House of Representatives join Representative Bill Strong in acknowledging your meritorious service and wishing you success in your future endeavors. (Sponsored by Representative Strong)

The House of Representatives of the Commonwealth of Kentucky cites and recognizes CHARLES E. COMBS for your many contributions to your community over the years as a businessman, coal operator and sheriff. Because of your hard work and dedication you have contributed greatly to the many projects which have made your community a better place to live not only for your family but for others as well.

The House of Representatives joins Representative Bill Strong in commending you. (Sponsored by Representative Strong)

Representative Gregory moved the rules be suspended to act upon a Legislative Citation. Agreed.

Representative Gregory moved the adoption of Legislative Citation No. 117. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby congratulates and applauds EAST HARDIN LADY REBELS for your outstanding performance during the basketball season which resulted in an impressive 24-5 record. You now have the honor of representing Region 5 in the Sweet Sixteen Tournament at the Farnham Dudgeon Civic Center in Frankfort. This has been a result of much hard work and a positive team effort.

The House of Representatives joins Representative Bud Gregory in wishing you success as you begin tournament play. (Sponsored by Representative Gregory)

Representative Noland moved the rules be suspended to act upon a Legislative Citation. Agreed.

Representative Noland moved the adoption of Legislative Citation No. 107. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby congratulates and applauds JOE OHR of Irvine, Kentucky, a charter inductee of the Kentucky High School Athletic Association Hall of Fame. Your guidance, leadership and many achievements during your distinguished career, which began in 1931, have led you to this most deserving recognition. You have touched a great many lives in your years of association with the young people of Estill County and have gained many fond memories of those coaching years, as have those with whom you were involved.

The House of Representatives joins Representative Clarence Noland in honoring you and recognizes the contributions you have made to athletics in the Commonwealth. (Sponsored by Representative Noland)

Representative Gregory moved that the rules be suspended to act upon a Resolution. Agreed.

Representative Gregory moved the adoption of the following **HR 184**:

HR 184. A RESOLUTION requesting the Legislative Research Commission to re-establish the Subcommittee on Veterans' Affairs.

WHEREAS, Kentucky's veterans have many concerns meriting legislative attention; and

WHEREAS, the present committee structure of the Kentucky General Assembly does not allow proper attention to be paid to these concerns; and

WHEREAS, the Subcommittee to Study Problems of Vietnam Veterans in Kentucky requested the Legislative Research Commission to establish a permanent committee on veterans' affairs; and

WHEREAS, Kentucky owes its veterans a debt of gratitude for service in defense of their country;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Kentucky Legislative Research Commission is requested to establish a Subcommittee on Veterans' Affairs to operate during the 1988-89 interim and present its recommendations to the Kentucky General Assembly.

Section 2. It is recommended that this subcommittee be appointed by the Legislative Research Commission.

HR 184 was adopted by voice vote.

Representative Stumbo moved that the rules be suspended for Introduction of Resolutions, Report of Committees and Posting of Bills and Resolutions for Consideration. Agreed.

Introduction of Resolutions

HR 189, by Representative Noe: A RESOLUTION requesting the Interim Joint Committee on Education to study the advisability of the state providing for a Master of Arts in Teaching Degree.

HR 190, by Representative Noe: A RESOLUTION requesting the Program Review and Investigations Committee to study the education requirements of the education profession.

HR 193, by Representative Meyer: A RESOLUTION requesting the Department for Mental Health-Mental Retardation Services to study and make recommendations about the problem of mentally ill persons being held in local jails.

Report of Committees

The Committee on Rules reported **SB 336, SB 42, HCR 141, HR 163, SB 35, SB 37, SB 130, SB 157, SB 167, SB 239, SB 245, SB 265, SB 275, SB 280, SB 283, SB 293, SB 294, SB 300, SB 306, SB 324, SB 328, SB 333, SB 338, SB 343, SB 353, SB 376, SB 377, SJR 17, SJR 65, SCR 82** and **SB 29** have been posted for passage in Orders of the Day, March 25, 1988.

The Committee on Rules reported the following Consent Bill has been posted for passage in Regular Orders of the Day, March 25, 1988: **SB 331**.

The Committee on Rules reported the following Bills have been recommitted:

Education: **HB 634, HJR 129**.

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bill has been posted for Committee consideration:

State Government: **SB 385**.

Motions, Petitions and Communications (continued)

Representative Jackson moved that the rules be suspended to act upon Resolutions. Agreed.

Representative Jackson moved the adoption of the following **HR 147**:

HR 147. A RESOLUTION honoring Joyce Williams, Kentucky Artist.

WHEREAS, from January 5, 1988 through February 19, 1988, the Kentucky General Assembly and the Kentucky Department of the Arts had the honor of presenting "Kentucky Places," an exhibition of Kentucky artists, shown in the recently dedicated Margaret Willis Room; and

WHEREAS, the twelve Kentucky artists participating in the "Kentucky Places" inaugural exhibition were chosen for their unique artistic excellence in promoting creative expression; and

WHEREAS, this honorable body was pleased to have Joyce Williams as an exhibitor in "Kentucky Places" and wishes her continued success in all future endeavors;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House of Representatives expresses its deep appreciation to Joyce Williams for participating in the "Kentucky Places" art exhibition.

Section 2. That the Clerk of the House of Representatives be directed to transmit a copy of this resolution to Ms. Joyce Williams, 2722 Auburn Avenue, Ashland, Kentucky, 41001.

HR 147 was adopted by voice vote.

Representative Jackson moved the adoption of the following **HR 148**:

HR 148. A RESOLUTION honoring Margo Adams, Kentucky Artist.

WHEREAS, from January 5, 1988 through February 19, 1988, the Kentucky General Assembly and the Kentucky Department of the Arts had the honor of presenting "Kentucky Places," an exhibition of Kentucky artists, shown in the recently dedicated Margaret Willis Room; and

WHEREAS, the twelve Kentucky artists participating in the "Kentucky Places" inaugural exhibition were chosen for their unique artistic excellence in promoting creative expression; and

WHEREAS, this honorable body was pleased to have Margo Adams as an exhibitor in "Kentucky Places" and wishes her continued success in all future endeavors;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House of Representatives expresses its deep appreciation to Margo Adams for participating in the "Kentucky Places" art exhibition.

Section 2. That the Clerk of the House of Representatives be directed to transmit a copy of this resolution to Ms. Margo Adams, 118 Florida Drive, Russell, Kentucky, 41169.

HR 148 was adopted by voice vote.

Representative Cline moved that the Rules be suspended for the purpose of making a motion concerning co-sponsors. Agreed.

Representative Cline moved that all properly filed co-sponsor requests be approved. Agreed.

The following members filed requests to have their names added as co-sponsors of Bills and Resolutions:

HR 185, Representative R. Smith; **HB 204**, Representatives Ballard, Layman; **HB 384**, Representative Riner; **HB 385**, Representative Riner; **HB 505**, Representative Keith; **HB 753**, Representative Riner; **HB 963**, Representative Maggard.

The following member filed a request to have his name withdrawn as co-sponsor of a Bill:

HB 550, Representative B. Smith.

Representative Priddy moved the rules be suspended for the purpose of recording votes. Agreed.

Representative Priddy moved that she be recorded as voting "yea" on **SB 118**, **SB 244**, **SB 270**, **HCR 30** and **HB 633**. Agreed.

Representative Callahan moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Callahan moved that he be recorded as voting "yea" on **SB 301**, **SB 118**, **SB 244**, **SB 68**, **SB 96**, **SB 97**, **SB 154**, **SB 174**, **SB 237**, **SB 208**, **SB 209**, **SB 211**, **SB 216**, **SB 193**, **SJR 44** and **SCR 68**. Agreed.

Representative Noe moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Noe moved that he be recorded as voting "yea" on **HB 630**. Agreed.

Representative Strong moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Strong moved that he be recorded as voting "yea" on **SB 178** and **HB 991**. Agreed.

Representative Hancock moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Hancock moved that he be recorded as voting "yea" on **SB 249**. Agreed.

Representative Jackson moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Jackson moved that he be recorded as voting "yea" on **HB 458**. Agreed.

Representative Cyrus moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Cyrus moved that he be recorded as voting "yea" on **HB 478**. Agreed.

Representative Ackerson moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Ackerson moved that he be recorded as voting "nay" on **HB 963**. Agreed.

Representative Farrow moved the rules be suspended for the purpose of recording votes. Agreed.

Representative Farrow moved that he be recorded as voting "yea" on **HB 358**, **HB 396**, **HB 1013**, **HB 605**, **HB 853**, **HB 584** and "nay" on **HB 966**, **HB 858**, **HB 345** and **HB 700**. Agreed.

Representative K. Harper moved the rules be suspended for the purpose of recording votes. Agreed.

Representative K. Harper moved that he be recorded as voting "yea" on **SB 197, SB 174, SB 14, SB 134, SB 88, SB 224, SB 264, SB 104, SB 49, SB 303, SB 180, SB 6, SB 192, SB 195, SB 141, SB 210, SB 213, SB 215, SB 236, SB 158, SB 225, SB 240, SB 242, SB 218, SB 277, SB 208, SB 304, SB 314** and "nay" on **SB 305**. Agreed.

Representative Barrows moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Barrows moved that he be recorded as voting "yea" on **HB 633**. Agreed.

Representative Donnermeyer moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Donnermeyer moved that his vote be changed from "nay" to "yea" on **SB 224**. Agreed.

Representative Meyer moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Meyer moved that he be recorded as voting "yea" on **SB 179, SB 301, SB 202, SJR 44, SCR 68, SB 68, SB 96, SB 97, SB 174, SB 237, SB 208, SB 209, SB 211, SB 216, SB 193, SB 118** and **SB 244**. Agreed.

Announcements

The Clerk announced the filing of the following Floor Amendments to Bills and Resolutions:

Floor Amendment No. 2 to **SB 6**, by Representative Freibert:

Amend printed copy of GA Copy of **SB 6** on page 8, following line 20, to add the following:

"Section 6. KRS 432.570 is amended to read as follows:

(1) It shall be unlawful for any person except a member of a police department or police force or an official with written authorization from the head of a department which regularly maintains a police radio system authorized or licensed by the federal communications commission, to have in his or her possession, or in an automobile or other vehicle, or to equip or install in or on any automobile or other vehicle, any mobile radio set or apparatus capable of either receiving or transmitting radio or other messages or signals within the wave length or channel now or which may hereafter be allocated by the federal communications commission, or its successor, for the purpose of police radios, or which may in any way intercept or interfere with the transmission of radio messages by any police or other peace officers and it shall be unlawful for any car, automobile or other vehicle other than one publicly owned and entitled to an official license plate issued by the state issuing a license for said car, to have, or be equipped with such sets or apparatus even though said car is owned by an officer. Provided, however, the provisions of this section shall not apply to any automobile or other vehicle owned or operated by a member of a sheriff's department authorized by the fiscal court to operate a radio communications system that is licensed by the federal communications commission or other federal agency having the authority to license same.

(2) Any person guilty of violating any of the provisions of this section shall be guilty of a misdemeanor, and, upon conviction, shall be punished by a fine of not less than fifty dollars (\$50.00) and not exceeding five hundred dollars (\$500), or imprisonment not exceeding twelve (12) months, or both so fined and imprisoned.

(3) It shall be the duty of any and all peace officers to seize and hold for evidence any and all equipment had or used in violation of the provisions of this section, and, upon conviction of the person having, equipping or using such equipment, it shall be the duty of the trial court to order such equipment or apparatus destroyed, forfeited or escheated to the Commonwealth of Kentucky, and said property may be ordered destroyed, forfeited or escheated as above provided without a conviction of the person charged with violating this section.

(4) Nothing contained in this section shall prohibit the possession of a radio by:

(a) An individual who is a retailer or wholesaler and in the ordinary course of his business offers such radios for sale or resale;

(b) A commercial or educational radio or television station, licensed by the federal communications commission, at its place of business; or

(c) An individual who possesses such a radio, provided it is capable of receiving radio transmissions only and is not capable of sending or transmitting radio messages, at his place of residence; licensed commercial auto towing trucks; newspaper reporters and photographers, *amateur radio operators licensed by the Federal Communications Commission*, disaster and emergency services personnel authorized in writing by the state director of disaster and emergency service (for state personnel) or chief executive of the city or county (for their respective personnel); peace officers authorized in writing by the head of their law enforcement agency, commonwealth's attorneys and their assistants, county attorneys and their assistants, except that it shall be unlawful to use such radio to facilitate any criminal activity or to avoid apprehension by law enforcement officers. Violation of this section shall, in addition to any other penalty prescribed by law, result in a forfeiture to the local law enforcement agency of such radio.

(5) The secretary of finance is hereby empowered by issuance of a secretary's order to exempt from the prohibitions and penalties of this section the possession and use of any and all radio communication equipment that he finds is necessary to be owned and used by members of the general public and other non-police persons for utilization in the N.O.A.A. weather radio system."

Floor Title Amendment to **SB 6**, by Representative Freibert:

Amend printed copy of GA Copy of **SB 6**, Title, to delete the title and to insert in lieu thereof "AN ACT relating to crimes and punishments.

Floor Amendment No. 3 to **SB 99**, by Representative Castleman:

Amend printed copy of GA Copy of **SB 99** on page 13, by inserting after line 22 the following:

"SECTION 2. A NEW SECTION OF KRS CHAPTER 503 IS CREATED TO READ AS FOLLOWS:

(1) *The general assembly hereby recognizes that the citizens of the Commonwealth of Kentucky have a right to expect absolute safety within their own homes.*

(2) *Any resident of a dwelling is justified in using any degree of physical force, including but not limited to deadly force, against another person who has made or is attempting an unlawful entry into that dwelling, and when the occupant has a reasonable belief that such other person might use any physical force, no matter how slight, against any resident of the dwelling.*

(3) *Any occupant of a dwelling using physical force, including but not limited to deadly force, pursuant to the provisions of subsection (2) of this section, shall be immune from criminal prosecution for the use of such force.*

Section 3. KRS 503.080 is amended to read as follows:

(1) The use of physical force by a defendant upon another person is justifiable when the defendant believes that such force is immediately necessary to prevent:

(a) The commission of criminal trespass or burglary in a dwelling, building or upon real property in his possession or in the possession of another person for whose protection he acts; or

(b) Theft, criminal mischief, or any trespassory taking of tangible, movable property in his possession or in the possession of another person for whose protection he acts.

(2) The use of deadly physical force by a defendant upon another person is justifiable under subsection (1) only when the defendant believes that the person against whom such force is used is:

- or
- (a) Attempting to dispossess him of his dwelling otherwise than under a claim of right to its possession;
- (b) ~~[Committing or attempting to commit a burglary of such dwelling; or~~

(e)] Committing or attempting to commit arson of a dwelling or other building in his possession.

SECTION 4. A NEW SECTION OF KRS CHAPTER 413 IS CREATED TO READ AS FOLLOWS:

Any resident of a dwelling using physical force, including but not limited to deadly force, pursuant to the provisions of Section 2 of this Act, shall be immune from civil liability for injuries of death resulting from the use of such force."

Floor Amendment No. 4 to **SB 99**, by Representative Donnermeyer:

Amend printed copy of GA Copy of **SB 99** on page 13, by inserting after line 22, the following:

"SECTION 2. A NEW SECTION OF KRS CHAPTER 431 IS CREATED TO READ AS FOLLOWS:

(1) *Any person who has committed a misdemeanor or violation and such misdemeanor or violation:*

(a) *Did not involve the imposition of a jail sentence by the judge or jury; and*

(b) *Did not involve the use of a deadly weapon or dangerous instrument; and*

(c) *Did not involve sexual abuse; and*

(d) *Did not involve the death or serious physical injury or physical injury or threat thereof to another person, may apply to have his conviction purged from all public records in this Commonwealth two (2) years after his conviction for such misdemeanor or violation.*

(2) *Any person who has been charged with a misdemeanor or violation and who has been acquitted or where the charges against him have been dismissed, may apply to have all public records in this Commonwealth relating thereto purged upon such acquittal or dismissal.*

(3) *Any person who has successfully completed a diversion program for an eligible offense under subsection (1) of this section may apply to have all public records in this Commonwealth relating thereto purged two (2) years after such completion.*

(4) *Applications shall be directed to the sentencing court and the court shall, if the conditions of this section have been met, issue orders to the appropriate state and local agencies to purge the conviction from their records.*

(5) *When a record is purged from the records pursuant to this section, it shall, for all purposes in Kentucky (except those for which the Constitution may require otherwise) be deemed not to have occurred, and no person whose record has been purged shall have to list the record on any application or other form for any purpose, unless such is required by federal law.*

(6) *This section shall not apply to matters where there is a federal statute or regulation to the contrary.*

(7) *This section shall apply to misdemeanors and violations only.*

(8) *This section does not apply to any traffic offenses under the provisions of KRS Chapter 186 to 189A.*

(9) *The provisions of this section with regard to purging of criminal convictions may be utilized only once during a person's lifetime and then only for one (1) eligible conviction.*

Section 3. KRS 17.120 is amended to read as follows:

Upon conviction, the department of justice shall forward one (1) copy of each photograph, set of fingerprints and general description report received by it to the federal bureau of investigation.

Floor Title Amendment No. 2 to **SB 99**, by Representative Castleman:

Amend printed copy of GA Copy of **SB 99** on page 1, by amending the title to read as follows: "AN ACT relating to crimes and punishments."

Floor Title Amendment No. 3 to **SB 99**, by Representative Donnermeyer:

Amend printed copy of GA copy of **SB 99** on page 1, by amending the title to read as follows: "AN ACT relating to crimes and punishments."

Floor Amendment No. 2 to **SB 130**, by Representative Worthington:

Amend printed copy of GA Copy of **SB 130** on page 1, line 12, following "Section 2" by inserting:

"It is proposed that Section 30 of the Constitution of Kentucky be amended to read as follows:

Members of the House of Representatives and Senators shall be elected at the general election in even-numbered years for terms of *six* [four] years for Senators and *four* [two] years for members of the House of Representatives. The term of office of Representatives and Senators shall begin upon the first day of January of the year succeeding their election.

Section 3. It is proposed that Section 31 of the Constitution of Kentucky be amended to read as follows:

At the general election to be held in November, *nineteen hundred and eighty-eight* [1984], and in even-numbered [every two] years thereafter, there shall be elected for *six* [four] years one Senator in each Senatorial District in which the term of his predecessor in office will then expire and for *four years one Representative* in every Representative District *in which the term of his predecessor in office will then expire* [one Representative for two years].

Section 4. It is further proposed as a part of this amendment and as a schedule of transitional provisions for purposes of this amendment, any other provisions of the Kentucky Constitution notwithstanding:

(1) The term of office of Senators who were elected in 1986 and who are to be elected in 1988 shall be for a term of six years.

(2) The term of office of Representatives who are elected in 1988 shall be for a term of four years."; and

On page 1, line 12, by deleting "Section 2" and inserting in lieu thereof "Section 5".

Floor Amendment No. 3 to Committee Substitute to **SB 130**, by Representative Worthington:

Amend printed copy of Committee Substitute to **SB 130** on page 1, line 13, following "Section 2" by inserting:

"It is proposed that Section 30 of the Constitution of Kentucky be amended to read as follows:

Members of the House of Representatives and Senators shall be elected at the general election in even-numbered years for terms of *six* [four] years for Senators and *four* [two] years for members of the House of Representatives. The term of office of Representatives and Senators shall begin upon the first day of January of the year succeeding their election.

Section 3. It is proposed that Section 31 of the Constitution of Kentucky be amended to read as follows:

At the general election to be held in November, *nineteen hundred and eighty-eight* [1984], and in even-numbered [every two] years thereafter, there shall be elected for *six* [four] years one Senator in each Senatorial District in which the term of his predecessor in office will then expire and for *four years one Representative* in every Representative District *in which the term of his predecessor in office will then expire* [one Representative for two years].

Section 4. It is further proposed as a part of this amendment and as a schedule of transitional provisions for purposes of this amendment, any other provisions of the Kentucky Constitution notwithstanding:

(1) The term of office of Senators who were elected in 1986 and who are to be elected in 1988 shall be for a term of six years.

(2) The term of office of Representatives who are elected in 1988 shall be for a term of four years.”; and

On page 1, line 13, by deleting “Section 2” and inserting in lieu thereof “Section 5”.

Floor Title Amendment to **SB 130**, by Representative Worthington:

Amend printed copy of GA Copy of **SB 130** on page 1, by amending the title to read as follows:

“AN ACT proposing a constitutional amendment relating to government.”

Floor Amendment No. 1 to Committee Substitute to **SB 143**, by Representative Hatcher:

Amend printed copy of Committee Substitute to **SB 143** on page 3, line 25, after “maintained.” delete the remainder of the line; and

On page 3, delete line 26 in its entirety; and

On page 4, delete lines 1 and 2 in their entirety; and

On page 6, line 7, before “any” insert “(1)”; and

On page 6, after line 18, insert the following:

“(2) Upon commencement of any action brought under subsection (1) of this section, the clerk of the court shall mail a copy of the complaint, and upon entry of any judgment or decree, shall mail a copy of such judgment or decree to the commission on human rights.

SECTION 4. A NEW SECTION OF KRS CHAPTER 344 IS CREATED TO READ AS FOLLOWS:

A person subject to this chapter may adopt and carry out a plan to eliminate present effects of past discrimination, or reduce a manifest imbalance with respect to race, color, religion, national origin, or sex. The commission may review the plans filed with it.

Section 5. KRS 344.200 is amended to read as follows:

(1) An individual claiming to be aggrieved by an unlawful practice, a member of the commission, or the attorney general may file with the commission a written sworn complaint stating that an unlawful practice has been committed, setting forth the facts upon which the complaint is based, and setting forth facts sufficient to enable the commission to identify the persons charged (hereinafter the respondent). *An individual claiming to be aggrieved may file a complaint for himself and other persons similarly situated. If a complaint is filed by an individual on his behalf and on behalf of persons similarly situated, as soon as practicable after the filing of the complaint, the commission shall determine by order whether the action will be maintained pursuant to CR 23, and make any additional appropriate orders.* The commission staff or a person designated pursuant to its rules shall promptly investigate the allegations of unlawful practice set forth in the complaint and shall within five (5) days furnish the respondent with a copy of the complaint. The complaint must be filed

within one hundred eighty (180) days after the alleged unlawful practice occurs.

(2) The commission or an individual designated pursuant to its rules shall determine within thirty (30) days after the complaint has been filed whether there is probable cause to believe the respondent has engaged in an unlawful practice. If it is determined that there is no probable cause to believe that the respondent has engaged in an unlawful practice, the commission shall issue an order dismissing the complaint and shall furnish a copy of the order to the complainant, the respondent, the attorney general, and such other public officers and persons as the commission deems proper.

(3) The complainant, within ten (10) days after receiving a copy of the order dismissing the complaint, may file with the commission an application for reconsideration of the order. Upon such application, the commission or an individual designated pursuant to its rules shall make a new determination within ten (10) days whether there is probable cause to believe that the respondent has engaged in an unlawful practice. If it is determined that there is no probable cause to believe that the respondent has engaged in an unlawful practice, the commission shall issue an order dismissing the complaint and furnishing a copy of the order to the complainant, the respondent, the attorney general, and such other public officers and persons as the commission deems proper.

(4) If the staff determines, after investigation, or if the commission determines after the review provided for in subsection (3) of this section that there is probable cause to believe that the respondent has engaged in an unlawful practice, the commission staff shall endeavor to eliminate the alleged unlawful practice by conference, conciliation and persuasion. The terms of a conciliation agreement reached with a respondent may require him to refrain from the commission of unlawful discriminatory practices in the future and make such further provisions as may be agreed upon between the commission or its staff and the respondent. If a conciliation agreement is entered into, the commission shall issue and serve on the complainant an order stating its terms. A copy of the order shall be delivered to the respondent, the attorney general, and such other public officers and persons as the commission deems proper. Except for the terms of the conciliation agreement, neither the commission nor any officer or employee thereof shall make public, without the written consent of the complainant and the respondent, information concerning efforts in a particular case to eliminate an unlawful practice by conference, conciliation, or persuasion whether or not there is a determination of probable cause or a conciliation agreement.

(5) At the expiration of one (1) year from the date of a conciliation agreement, and at other times in its reasonable discretion, the commission staff may investigate whether the terms of the agreement have been and are being complied with by the respondent. Upon a finding that the terms of the agreement are not being complied with by the respondent, the commission shall take such action as it deems appropriate to assure compliance.

(6) At any time after a complaint is filed, the commission may file an action in the circuit court in a county in which the subject of the complaint occurs, or in a county in which a respondent resides or has his principal place of business, seeking appropriate temporary relief against the respondent, pending final determination of proceedings under KRS 344.160, 344.190 to 344.210, and 344.230 to 344.260, including an order or decree restraining him from doing or procuring any act tending to render ineffectual any order the commission may enter with respect to the complaint. The court shall have power to grant such temporary relief or restraining order as it deems just and proper.

(7) Insofar as they are not inconsistent or in conflict with the procedure and practice provided by this chapter, the Kentucky Rules of Civil Procedure will apply to proceedings under this chapter.

Section 6. KRS 344.385 is amended to read as follows:

Wherever a licensee of the Commonwealth of Kentucky [Where a real estate broker or a real estate salesman] has failed to comply with an order issued by the commission or has been found to have committed an unlawful [unfair housing] practice in violation of this chapter [KRS 344.380], the commission shall notify in writing the appropriate licensing authority [real estate commission] of the Commonwealth of Kentucky of said failure to comply or violation. The commission may recommend and the licensing agency may take appropriate disciplinary action to revoke or suspend the license of the licensee.

Section 7. KRS 344.130 is amended to read as follows:

As used in this chapter unless the context [requires] otherwise requires:

"Place of public accommodation, resort or amusement" includes any place, store or other establishment, either licensed or unlicensed, which supplies goods or services to the general public or which solicits or accepts the patronage or trade of the general public or which is supported directly or indirectly by government funds[~~except that~~

(1) ~~A private club is not a place of public accommodation, resort or amusement if its policies are determined by its members and its facilities or services are available only to its members and their bona fide guests; and~~

(2) ~~"Place of public accommodation, resort or amusement" does not include a rooming or boarding house containing not more than one room for rent or hire and which is within a building occupied by the proprietor as his residence]."~~

Floor Amendment No. 2 to Committee Substitute to SB 143, by Representative Hatcher:

Amend printed copy of House Committee Substitute to SB 143 on page 3, line 25, after "maintained." delete the remainder of the line; and

On page 3, delete line 26 in its entirety; and

On page 4, delete lines 1 and 2 in their entirety; and

On page 6, line 7, before "any" insert "(1)"; and

On page 6, after line 18, insert the following:

"(2) Upon commencement of any action brought under subsection (1) of this section, the clerk of the court shall mail a copy of the complaint, and upon entry of any judgment or decree, shall mail a copy of such judgment or decree to the commission on human rights.

SECTION 4. A NEW SECTION OF KRS CHAPTER 344 IS CREATED TO READ AS FOLLOWS:

A person subject to this chapter may adopt and carry out a plan to eliminate present effects of past discrimination, or reduce a manifest imbalance with respect to race, color, religion, national origin, or sex. The commission may review the plans filed with it.

Section 5. KRS 344.200 is amended to read as follows:

(1) An individual claiming to be aggrieved by an unlawful practice, a member of the commission, or the attorney general may file with the commission a written sworn complaint stating that an unlawful practice has been committed, setting forth the facts upon which the complaint is based, and setting forth facts sufficient to enable the commission to identify the persons charged (hereinafter the respondent). *An individual claiming to be aggrieved may file a complaint for himself and other persons similarly situated. If a complaint is filed by an individual on his behalf and on behalf of persons similarly situated, as soon as practicable after the filing of the complaint, the commission shall determine by order whether the action will be maintained pursuant to CR 23, and make any additional appropriate orders.* The commission staff or a person designated pursuant to its rules shall promptly investigate the allegations of unlawful practice set forth in the complaint and shall within five (5) days furnish the respondent with a copy of the complaint. The complaint must be filed within one hundred eighty (180) days after the alleged unlawful practice occurs.

(2) The commission or an individual designated pursuant to its rules shall determine within thirty (30) days after the complaint has been filed whether there is probable cause to believe the respondent has engaged in an unlawful practice. If it is determined that there is no probable cause to believe that the respondent has engaged in an unlawful practice, the commission shall issue an order dismissing the complaint and shall furnish a copy of the order to the complainant, the respondent, the attorney general, and such other public officers and persons as the commission deems proper.

(3) The complainant, within ten (10) days after receiving a copy of the order dismissing the complaint, may file with the commission an application for reconsideration of the order. Upon such application, the

commission or an individual designated pursuant to its rules shall make a new determination within ten (10) days whether there is probable cause to believe that the respondent has engaged in an unlawful practice. If it is determined that there is no probable cause to believe that the respondent has engaged in an unlawful practice, the commission shall issue an order dismissing the complaint and furnishing a copy of the order to the complainant, the respondent, the attorney general, and such other public officers and persons as the commission deems proper.

(4) If the staff determines, after investigation, or if the commission determines after the review provided for in subsection (3) of this section that there is probable cause to believe that the respondent has engaged in an unlawful practice, the commission staff shall endeavor to eliminate the alleged unlawful practice by conference, conciliation and persuasion. The terms of a conciliation agreement reached with a respondent may require him to refrain from the commission of unlawful discriminatory practices in the future and make such further provisions as may be agreed upon between the commission or its staff and the respondent. If a conciliation agreement is entered into, the commission shall issue and serve on the complainant an order stating its terms. A copy of the order shall be delivered to the respondent, the attorney general, and such other public officers and persons as the commission deems proper. Except for the terms of the conciliation agreement, neither the commission nor any officer or employee thereof shall make public, without the written consent of the complainant and the respondent, information concerning efforts in a particular case to eliminate an unlawful practice by conference, conciliation, or persuasion whether or not there is a determination of probable cause or a conciliation agreement.

(5) At the expiration of one (1) year from the date of a conciliation agreement, and at other times in its reasonable discretion, the commission staff may investigate whether the terms of the agreement have been and are being complied with by the respondent. Upon a finding that the terms of the agreement are not being complied with by the respondent, the commission shall take such action as it deems appropriate to assure compliance.

(6) At any time after a complaint is filed, the commission may file an action in the circuit court in a county in which the subject of the complaint occurs, or in a county in which a respondent resides or has his principal place of business, seeking appropriate temporary relief against the respondent, pending final determination of proceedings under KRS 344.160, 344.190 to 344.210, and 344.230 to 344.260, including an order or decree restraining him from doing or procuring any act tending to render ineffectual any order the commission may enter with respect to the complaint. The court shall have power to grant such temporary relief or restraining order as it deems just and proper.

(7) Insofar as they are not inconsistent or in conflict with the procedure and practice provided by this chapter, the Kentucky Rules of Civil Procedure will apply to proceedings under this chapter.

Section 6. KRS 344.385 is amended to read as follows:

Wherever a licensee of the Commonwealth of Kentucky [Where a real estate broker or a real estate salesman] has failed to comply with an order issued by the commission or has been found to have committed an unlawful [unfair housing] practice in violation of this chapter [KRS 344.380], the commission shall notify in writing the appropriate licensing authority [real estate commission] of the Commonwealth of Kentucky of said failure to comply or violation. The commission may recommend and the licensing agency may take appropriate disciplinary action to revoke or suspend the license of the licensee."

Floor Amendment No. 3 to Committee Substitute to SB 143, by Representative Hatcher:

Amend printed copy of Committee Substitute to SB 143 on page 3, line 25, after "maintained." delete the remainder of the line; and

On page 3, delete line 26 in its entirety; and

On page 4, delete lines 1 and 2 in their entirety.

Floor Amendment No. 2 to SB 147, by Representative Freibert:

Amend printed copy of GA Copy of SB 147 on page 4, following line 12, to add the following:

"Section 2. KRS 432.570 is amended to read as follows:

(1) It shall be unlawful for any person except a member of a police department or police force or an official with written authorization from the head of a department which regularly maintains a police radio system authorized or licensed by the federal communications commission, to have in his or her possession, or in an automobile or other vehicle, or to equip or install in or on any automobile or other vehicle, any mobile radio set or apparatus capable of either receiving or transmitting radio or other messages or signals within the wave length or channel now or which may hereafter be allocated by the federal communications commission, or its successor, for the purpose of police radios, or which may in any way intercept or interfere with the transmission of radio messages by any police or other peace officers and it shall be unlawful for any car, automobile or other vehicle other than one publicly owned and entitled to an official license plate issued by the state issuing a license for said car, to have, or be equipped with such sets or apparatus even though said car is owned by an officer. Provided, however, the provisions of this section shall not apply to any automobile or other vehicle owned or operated by a member of a sheriff's department authorized by the fiscal court to operate a radio communications system that is licensed by the federal communications commission or other federal agency having the authority to license same.

(2) Any person guilty of violating any of the provisions of this section shall be guilty of a misdemeanor, and, upon conviction, shall be punished by a fine of not less than fifty dollars (\$50.00) and not exceeding five hundred dollars (\$500), or imprisonment not exceeding twelve (12) months, or both so fined and imprisoned.

(3) It shall be the duty of any and all peace officers to seize and hold for evidence any and all equipment had or used in violation of the provisions of this section, and, upon conviction of the person having, equipping or using such equipment, it shall be the duty of the trial court to order such equipment or apparatus destroyed, forfeited or escheated to the Commonwealth of Kentucky, and said property may be ordered destroyed, forfeited or escheated as above provided without a conviction of the person charged with violating this section.

(4) Nothing contained in this section shall prohibit the possession of a radio by:

(a) An individual who is a retailer or wholesaler and in the ordinary course of his business offers such radios for sale or resale;

(b) A commercial or educational radio or television station, licensed by the federal communications commission, at its place of business; or

(c) An individual who possesses such a radio, provided it is capable of receiving radio transmissions only and is not capable of sending or transmitting radio messages, at his place of residence; licensed commercial auto towing trucks; newspaper reporters and photographers, *amateur radio operators licensed by the Federal Communications Commission*, disaster and emergency services personnel authorized in writing by the state director of disaster and emergency service (for state personnel) or chief executive of the city or county (for their respective personnel); peace officers authorized in writing by the head of their law enforcement agency, commonwealth's attorneys and their assistants, county attorneys and their assistants, except that it shall be unlawful to use such radio to facilitate any criminal activity or to avoid apprehension by law enforcement officers. Violation of this section shall, in addition to any other penalty prescribed by law, result in a forfeiture to the local law enforcement agency of such radio.

(5) The secretary of finance is hereby empowered by issuance of a secretary's order to exempt from the prohibitions and penalties of this section the possession and use of any and all radio communication equipment that he finds is necessary to be owned and used by members of the general public and other non-police persons for utilization in the N.O.A.A. weather radio system."

Floor Title Amendment to **SB 147**, by Representative Freibert:

Amend printed copy of GA Copy of **SB 147** to delete the same and to insert in lieu thereof "AN ACT relating to crimes and punishments."

Floor Amendment No. 2 to **SB 158**, by Representative Johnson:

Amend printed copy of **SB 158** by changing the title to read:

"AN ACT relating to occupations and professions."

Floor Amendment No. 3 to **SB 158**, by Representative Johnson:

Amend printed copy of **SB 158** by attaching the provisions of House Bill 521 as amended.

Floor Amendment No. 1 to **SB 167**, by Representative Farrow:

Amend printed copy of **SB 167** on page 3, after line 10, by adding the following:

"SECTION 2. A NEW SECTION OF KRS CHAPTER 16 IS CREATED TO READ AS FOLLOWS:

(1) All persons who become sworn officers of the Kentucky state police after the effective date of Sections 2 through 4 of this Act shall have their final compensation calculated as specified in KRS 16.505(9) except that their creditable compensation used to determine final compensation shall be based on a salary with a permanent rank of captain, lieutenant, sergeant or trooper or a combination of such ranks representing his final compensation under KRS 16.505(9).

(2) Even though the officers with a temporary rank effected by Sections 2 through 4 of this Act may receive a higher level of compensation, their final compensation shall be calculated based on the level of creditable compensation that they received, prior to them attaining a temporary rank, plus any raises they would have received if they would have maintained their highest permanent rank held prior to their receiving a temporary rank.

(3) All officers affected by Sections 2 through 4 of this Act shall contribute seven percent (7%) of their creditable compensation to the retirement fund based on their last permanent rank held before receiving a temporary rank.

Section 3. KRS 16.505 is amended to read as follows:

As used in KRS 16.510 to 16.652, unless the context otherwise requires:

(1) "System" means the state police retirement system created by KRS 16.510 to 16.652;

(2) "Board" means the board of trustees of the Kentucky retirement systems;

(3) "Employer" or "state police" means the department of state police, or its successor;

(4) "Current service" means the number of years and completed months of employment as an employe subsequent to July 1, 1958, for which creditable compensation was paid by the employer and employe contributions deducted except as otherwise provided in KRS 61.555;

(5) "Prior service" means the number of years and completed months of employment as an employe prior to July 1, 1958, for which creditable compensation was paid to the employe by the Commonwealth. Twelve (12) months of current service in the system are required to validate prior service;

(6) "Service" means the total of current service and prior service;

(7) "Accumulated contributions" at any time means the sum of all amounts deducted from the compensation of a member and credited to his individual account in the member's contribution account, including employe contributions picked up after August 1, 1982 pursuant to KRS 16.545(4), together with interest credited on such amounts as provided in KRS 16.510 to 16.652, and any other amounts the member shall have contributed thereto, including interest credited thereon;

(8) "Creditable compensation" means all salary and wages paid to the employe as a result of services performed for the employer, including employe contributions picked up after August 1, 1982 pursuant to KRS 16.545(4); living allowances, expense reimbursements, payments received after the date of termination of employment for accrued vacation leave, and other such items as are determined by the board shall be excluded;

- (9) "Final compensation" at any time means the creditable compensation of a member during the five (5) fiscal years he was paid at the highest average monthly rate, *except for members employed after the effective date of this Act who shall be governed by the provisions of Section 2 of this Act*, divided by the number of months of service credit during such five (5) year period, multiplied by twelve (12); such five (5) years may be fractional, and need not be consecutive. In the event the number of months of service credit during such five (5) year period is less than forty-eight (48), one (1) or more additional fiscal years shall be used;
- (10) "Final rate of pay" means the actual rate upon which earnings of a member were calculated during the twelve (12) month period immediately preceding the member's effective retirement date, including employee contributions picked up after August 1, 1982 pursuant to KRS 16.545(4). Such rate shall be certified to the board by the employer and the following equivalents shall be used to convert said rate to an annual rate: one thousand nine hundred fifty (1,950) hours, two hundred sixty (260) days, fifty-two (52) weeks, twelve (12) months, or one (1) year;
- (11) "Retired member" means any former member receiving a retirement allowance or any former member who has filed the necessary documents for retirement benefits and is no longer contributing to the retirement system;
- (12) "Retirement allowance" means the retirement payments to which a retired member is entitled;
- (13) "Actuarially equivalent benefits" means benefits which are of equal value when computed upon the basis of such actuarial tables as are adopted by the board except in case of disability retirement the options authorized by KRS 61.635 shall be computed by adding ten (10) years to the age of the member, provided however, that no disability retirement option shall be less than the same option computed under early retirement;
- (14) "Authorized leave of absence" means any time during which a person is absent from employment but retained in the status of an employee in accordance with the personnel policy of the department of state police;
- (15) "Normal retirement date" means the first day of the month following a member's fifty-fifth birthday, except that for members over age fifty-five (55) on July 1, 1958, it shall mean January 1, 1959. A member of the state police retirement system, a member of the county employees retirement system or a member of the Kentucky employees retirement system covered by this section with twenty (20) or more years of service credit, at least fifteen (15) of which are current may declare his "normal retirement date" to be some date prior to his fifty-fifth birthday;
- (16) "Disability retirement date" means the first day of the month following total and permanent disability or partial disability;
- (17) "Dependent child" means a child en ventre sa mere and a natural or legally adopted child of the member who has neither attained age eighteen (18) nor married or who is an unmarried full-time student, as defined in the federal Social Security Act, who has not attained age twenty-two (22);
- (18) "Optional allowance" means an actuarially equivalent benefit elected by the member in lieu of all other benefits provided by KRS 16.510 to 16.652;
- (19) "Disability ratio" means that percentage determined by the board as being applicable to the degree of disability suffered or incurred by a member;
- (20) "Act in line of duty" means an act occurring or a thing done, which, as determined by the board, was required in the performance of duty;
- (21) "Early retirement date" means the retirement date declared by a member who is not less than fifty (50) years of age and has fifteen (15) years of service;
- (22) "Member" means any officer included in the membership of the system as provided under KRS 16.520 whose membership has not been terminated under KRS 61.535;

(23) "Regular full-time officers" means the occupants of positions as set forth in KRS Chapter 18A as provisional full-time, probationary full-time and permanent full-time; and

(24) "Hazardous disability" as used in KRS 16.510 to 16.652 means such disability as results in an employee's total incapacity to continue as an employee in a hazardous position, but such employee is not necessarily deemed to be totally and permanently disabled to engage in other occupations for remuneration or profit.

Section 4. KRS 16.545 is amended to read as follows:

(1) Except for members over age fifty-five (55) on July 1, 1958, who shall not be required to contribute, *and except for members provided for in Sections 2 through 4 of this Act*, each member shall, commencing on July 1, 1968, contribute for each pay period for which he receives compensation, seven percent (7%) of his creditable compensation.

(2) The employer shall cause to be deducted from the compensation of each member for each and every payroll period subsequent to July 1, 1958, the contributions payable by such member as provided in KRS 16.510 to 16.652.

(3) Every member shall be deemed to consent to deductions made as provided herein; and the payment of salary or compensation less such deduction shall be a full and complete discharge of all claims for services rendered by such person during the period covered by such payment, except as to any benefits provided by KRS 16.510 to 16.652.

(4) Each employer shall, solely for the purpose of compliance with section 414(h) of the United States Internal Revenue Code, pick up the employee contributions required by this section for all compensation earned after August 1, 1982, and the contributions so picked up shall be treated as employer contributions in determining tax treatment under the United States Internal Revenue Code and KRS 141.010(9). These contributions shall not be included as gross income of the employee until such time as the contributions are distributed or made available to the employee. The picked up employee contribution shall satisfy all obligations to the retirement system satisfied prior to August 1, 1982 by the employee contribution, and the picked up employee contribution shall be in lieu of an employee contribution. Each employer shall pay these picked up employee contributions from the same source of funds which is used to pay earnings to the employee. The employee shall have no option to receive the contributed amounts directly instead of having them paid by the employer to the system. Employee contributions picked up after August 1, 1982 shall be treated for all purposes of KRS 16.510 to 16.652 in the same manner and to the same extent as employee contributions made prior to August 1, 1982.

Section 5. KRS 16.055 is amended to read as follows:

(1) Promotions to sergeant within the bureau shall be on the following terms and conditions:

(a) The applicant must have served as a commissioned state police officer for a period of five (5) years to be eligible for promotion to sergeant;

(b) Promotions shall be based on the highest cumulative score computed from thirty percent (30%) on personnel performance evaluation, twenty percent (20%) on oral examination, and fifty percent (50%) on a written examination;

(c) The promotional list shall continue in existence for one (1) year and promotions shall be made in consecutive order beginning with the highest numerical ranking to fill an interim vacancy. When two (2) or more applicants receive the same numerical score, the order of placement on the list shall be determined by seniority of service. Upon the determination of a new numerical ranking following a new examination, all previous rankings shall be null and void;

(d) The written examination shall be prepared and administered by an individual designated by the commissioner. The materials and textbooks will be selected by the commissioner and his staff. The commissioner will inform all applicants at least three (3) months prior to the examination date of the exact material from which test questions will be taken;

(e) The written test shall be administered to all applicants at the same time. Immediately upon completion of the written test the applicant will receive his numerical score. Such numerical score shall remain valid

for a period of two (2) years following the date of examination unless the source material upon which the test is based is changed by more than thirty percent (30%);

(f) The oral examination shall be conducted by interview boards designated by the commissioner consisting of the commissioner or his designated appointee not lower than rank of captain, an officer from another police agency of the rank equal to the position for which the applicant is competing, an instructor from an accredited law enforcement education program, a personnel director from private industry, and an officer from the Kentucky state police of the rank equal to the position for which the applicant is competing;

(g) The designated oral boards will perform all interviews under guidelines developed and approved by the commissioner;

(h) Personnel evaluations shall be made by the appropriate supervisory personnel under procedures established and approved by the commissioner.

(2) Promotions from sergeant to lieutenant within the bureau shall be on the same terms and conditions as promotions to sergeant. In addition, any applicant for lieutenant must have completed at least *three (3) years* [~~one (1) year~~] of continuous service in grade as sergeant.

(3) Promotions from lieutenant to captain within the bureau shall be on the same terms and conditions as promotions to lieutenant. In addition, any applicant for captain must have completed at least *three (3) years* [~~one (1) year~~] of continuous service in grade as lieutenant.

(4) The bureau will develop and administer only one (1) test for each of the above ranks. All eligible applicants will be permitted to participate in the promotional process to the next highest position of responsibility wherever a vacancy exists.

(5) The provisions of KRS 16.140 to the contrary notwithstanding, all ranks above the grade of captain are temporary and shall not be subject to the provisions for selection and promotion as required herein. All officers in such temporary positions shall serve at the pleasure of the commissioner and shall revert to their previous permanent rank upon the termination of their temporary appointment.

(6) The total number of supervisory officers of all classifications shall be limited to a ratio not to exceed one (1) supervisor for every five (5) non-supervisory officers.

(7) No officer of the bureau, other than temporary positions above the rank of captain, shall be promoted to the next highest rank without competing with other officers as prescribed by this promotional procedure.

(8) There shall be no discrimination based on race, sex, age, national origin, color, religion, creed, or political affiliation with respect to the bureau promotional system. All personnel actions are to be based solely on merit.

Section 6. KRS 16.080 is amended to read as follows:

(1) The commissioner shall adopt, formulate, alter and repeal [~~rules and~~] regulations for the enlistment, training, discipline and conduct of officers of the bureau and he may make any other [~~rules and~~] regulations for the governing and operation of the division as appear to him reasonably necessary to carry out the provisions of KRS 16.010 to 16.170.

(2) The commissioner may require any officer or civilian who receives or disburses public funds in the course of his duties to file a bond, conditioned that he will honestly, correctly and according to law, receive, disburse and account for all public moneys coming into his hands. The director and each officer shall execute a bond to the Commonwealth of Kentucky in the sum of not less than two thousand dollars (\$2,000), conditioned upon the faithful discharge of his duties. The premium on the bonds shall be paid by the bureau. The commissioner and each officer of the bureau shall, before entering upon the discharge of their official duties, take the constitutional oath of office.

(3) Subject to the provisions of KRS 56.440 to 56.550, the commissioner, with the approval of the governor and the secretary of the finance and administration cabinet, may acquire real estate or interests therein,

by purchase, lease or otherwise, necessary for the purposes of the bureau, and, with like approval, provide for the acquisition or construction of necessary buildings and other permanent structures and facilities. Title to any real estate acquired shall be taken in the name of the Commonwealth.

Section 7. KRS 16.140 is amended to read as follows:

(1) With the exceptions hereinafter specified, no officer of the bureau shall be removed, suspended, reduced in grade or pay for any reason except inefficiency, misconduct, insubordination or violation of law or of any ~~rule or~~ regulation promulgated by the commissioner. Any person may prefer charges in writing against any officer, which must be filed in the office of the commissioner. The charges must be signed by the person making the same, and must set out with clarity and distinction each and every charge. The commissioner, whenever probable cause appears, shall prefer charges against any officer whom he believes to have been guilty of conduct justifying his removal or punishment, in the interest of public order. Within five (5) days after the filing of charges, the commissioner shall deliver a copy thereof, personally, by certified mail, return receipt requested to the officer offending. Within five (5) days after the receipt thereof, the officer may demand public hearing, or may admit the truth of the charges in whole or in part. If the officer admits the truthfulness of the charges, the commissioner shall remove, suspend, reduce in rank or pay the officer so offending, in proportion to the seriousness of the charges.

(2) If the charges are denied and the officer demands a hearing within the time above specified, he must make his demand known to the commissioner in writing. After demand for hearing has been made, the commissioner within twenty (20) days from the date thereof shall arrange for a public hearing before a trial board to be constituted in the manner hereinafter provided. The officer defendant shall be given not less than five (5) days' notice of the time, place and hour of the hearing.

(3) Upon the hearing, all charges shall be considered traversed and put in issue, and the trial shall be confined and limited to the issues presented by the written charges. The trial board hearing the charges may summon and compel the attendance of witnesses at all hearings or sittings, by subpoena issued by the commissioner and served upon any witness by any sheriff or other person authorized by law to serve process. If any person fails to comply with any lawful order of the bureau or with process, or if any witness refuses to testify concerning any matter in which he may lawfully be interrogated, any circuit court judge, upon application of the trial board, or the commissioner, may compel obedience by proceedings for contempt as in the case of disobedience of a subpoena issued from the circuit court or a refusal to testify therein.

(4) The officer defendant shall have the right to subpoena in his behalf any witnesses he may desire, upon furnishing their names to the trial board or to the commissioner. The officer shall likewise have the right to appear in person and by counsel.

(5) All charges against the officer defendant, together with all proceedings before the trial board, shall be transcribed and reduced to writing and a permanent record kept thereof.

(6) In any instance where the commissioner has probable cause to believe that an officer has been guilty of conduct justifying his removal or punishment, he may immediately suspend the officer from duty, or from both pay and duty, pending trial, and the officer shall not be again placed on duty or allowed pay thereafter until a determination of the charges under this section.

(7) The trial board, after hearing the charges, shall fix the punishment of any officer found guilty of any one (1) or more charges, by reprimand or suspension for any length of time not to exceed six (6) months, or by reducing the grade if the officer's classification warrants same, or by combining any two (2) or more of the punishments, or by reducing the monthly salary of the officer by not more than twenty percent (20%) for not more than six (6) months, or by removing or dismissing from the service of the bureau any officer so found guilty.

(8) For the purpose of hearing charges against any officer, as hereinabove set forth, there is created a trial board; *which shall consist of five (5) officers of the department with a permanent rank of captain, lieutenant, sergeant or trooper. The members of the trial board shall be elected annually on the first Monday in November and shall assume their position on the board on the first day of January following their election. Trial board members shall not serve consecutive one (1) year terms but shall be eligible for trial board membership after they have sat out one (1) year. The trial board shall be composed of officers chosen by random selection from a pool of officers elected by fellow officers of like rank. For example, only troopers shall elect all the troopers who are to be members of the pool. The pool shall consist of thirty (30) officers which shall include one (1) captain,*

two (2) lieutenants, three (3) sergeants and twenty-four (24) troopers. On the same day that the members of the pool are elected, four (4) of the five (5) trial board members shall be chosen from the pool by a random selection process to be determined by the commissioner of state police. The fifth member of the trial board shall be chosen from the pool, by a random selection process to be determined by the commissioner, upon notifying the officer defendant of his hearing date before the trial board. An officer which holds the same rank as that of the officer defendant shall be chosen from the pool, except that if the officer defendant is above the rank of captain, the selection shall be the officer in the pool with the rank of captain. If for some reason there are no pool members left over with the same rank as the officer defendant, a random selection shall be made from the remaining officers of the department with a rank like that of the officer defendant.

(a) For the purpose of this section the following words and phrases shall have the meaning indicated:

1. "Fiduciary" includes such relationships as executor, administrator, conservator, trustee, and guardian;

2. "Financial interest" means ownership of a legal or equitable interest, however small, or a relationship as director, advisor, or other active participant in the affairs of a party, except that:

a. Ownership in a mutual or common investment fund that holds securities, or a proprietary interest of a policyholder in a mutual insurance company, or a depositor in a mutual savings association, or similar proprietary interest, or ownership of government securities is a "financial interest" only if the outcome of the proceeding could substantially affect the value of the interest;

b. An office in an educational, religious, charitable, fraternal, or civic organization is not a "financial interest" in securities held by the organization.

(b) Any member of the trial board shall disqualify himself and another member will be chosen as he was:

1. Where he has a personal bias or prejudice concerning a party, or personal knowledge of disputed evidentiary facts concerning the proceedings, or has expressed an opinion concerning the merits of the proceeding;

2. Where he knows that he, individually or as a fiduciary, or his spouse has a pecuniary or proprietary interest in the subject matter in controversy or in a party to the proceeding;

3. Where he or his spouse, or a person within the third degree of relationship to either of them, or the spouse of such a person:

a. Is a party to the proceeding, or an officer, director, or trustee of a party;

b. Is known to have an interest that could be substantially affected by the outcome of the proceeding;

c. Is likely to be a material witness in the proceeding.

4. Where he has knowledge of any other circumstances in which his impartiality might reasonably be questioned.

[which shall consist of the commissioner and of a panel of ten (10) officers of the bureau appointed by the commissioner. The commissioner shall designate from the panel not less than three (3) nor more than seven (7) members thereof to hear charges against any officer in the manner and under the procedure above set forth. The commissioner may promulgate reasonable rules and regulations governing the procedure before the trial board, which do not conflict with this section. The panel or trial board shall be a continuing body, and the officers designated shall serve thereon in addition to their other duties and without any increase in compensation, except they may be reimbursed for meals, lodging and traveling expenses incurred while in the performance of their official duties as members of the board. Any officer defendant may for cause challenge the right of any member of the board in the trial of any action against him, and if the remaining members of the board find that the challenge is justifiable, the member of the board shall be excused from hearing the charges, and another member substituted in lieu thereof.]

[(9) No officer is entitled to a hearing as provided in this section, unless his suspension is for more than twenty (20) days, or his pay reduced more than ten percent (10%); but if the officer receives more than

twenty (20) days suspension or reduction in salary of more than ten percent (10%) within a period of one (1) year; he shall have the right to such hearing in the manner above provided].

(9)(10) Any civilian employe may be discharged, suspended or reduced in pay at any time by the commissioner, pursuant to KRS Chapter 18.

(10)(14) Any officer appointed to the bureau shall be considered on probation for a period of one (1) year from and after the date of his appointment, and during that period may be discharged or suspended or reduced in rank or pay, with or without cause, by the commissioner. The rights conferred upon an officer for a hearing, as provided in this section, shall not accrue until such officer has been employed by the bureau for a period of one (1) year or more.

(11) *If any state police officer is charged, by the commissioner of state police or any other person, with inefficiency, misconduct, insubordination, a violation of law, or a violation of any regulation promulgated by the commissioner, he shall be entitled to a hearing before the trial board.*

Section 8. KRS 16.150 is amended to read as follows:

(1) Any officer of the bureau who shall be found guilty by the trial board of any charge as provided in KRS 16.140 shall have the right, within ten (10) days from the date of judgment of the trial board, to appeal to the Franklin Circuit Court; ~~provided the punishment be a suspension of more than twenty (20) days or his pay be reduced more than ten percent (10%); or if he is reduced in grade; if his classification so warrants; or is removed or dismissed from the department~~; provided, however, the enforcement of the judgment of the trial board upon said charges shall not be suspended during said appeal.

(2) To perfect said appeal within the time specified, such officer shall file in the office of the clerk of the Franklin Circuit Court a copy of the order, of all the evidence heard and of all the steps taken by the trial board relative to such charges, but shall first post a bond to secure the cost of the action in a lump sum to be approved by the circuit clerk, with corporate surety approved by the department of insurance as to solvency and responsibility and authorized to transact business in this state, or he may post a cash bond. The members of the trial board and the commissioner shall be necessary parties to such appeal. The circuit clerk shall docket the case as though it were a petition in equity and shall immediately issue a summons for the appellee. The summons shall be returnable in the same manner as in equity cases. Service of summons upon the commissioner or acting commissioner shall be deemed service upon the board.

(3) Such action shall be set down for trial as soon as possible, and the hearing thereof shall be expedited in the same manner as a declaratory judgment suit.

(4) No new or additional evidence shall be introduced in the Franklin Circuit Court, except as to fraud or misconduct of some party engaged in the administration of KRS 16.010 to 16.170, or one who is a member of the trial board, but the court shall otherwise hear the case upon the record as attested by the board, and in all respects dispose of the appeal in a summary manner. Its review shall be limited to determining whether or not (a) the board acted without or in excess of its powers; (b) the order appealed from was procured by fraud; (c) if questions of fact are in issue, whether or not any substantial evidence supports the order appealed from. After such a hearing, the court shall enter a judgment sustaining or setting aside the order of the trial board appealed from. The cost of the action shall follow the judgment of the court.

(5) Any party aggrieved by a judgment of the Franklin Circuit Court may appeal to the Court of Appeals in the manner provided in the Rules of Civil Procedure, but such appeal shall be docketed within sixty (60) days from the entry of judgment; unless the time be extended by the circuit court, but in no event beyond one hundred twenty (120) days from the entry of judgment."

Floor Amendment No. 1 to SB 185, by Representative Castleman:

Amend printed copy of GA Copy of SB 185 on page 1, by inserting after line 16, the following:

"Section 2. A NEW SECTION OF KRS CHAPTER 503 IS CREATED TO READ AS FOLLOWS:

(1) *The general assembly hereby recognizes that the citizens of the Commonwealth of Kentucky have a right to expect absolute safety within their own homes.*

(2) Any resident of a dwelling is justified in using any degree of physical force, including but not limited to deadly force, against another person who has made or is attempting an unlawful entry into that dwelling, and when the occupant has a reasonable belief that such other person might use any physical force, no matter how slight, against any resident of the dwelling.

(3) Any occupant of a dwelling using physical force, including but not limited to deadly force, pursuant to the provisions of subsection (2) of this section, shall be immune from criminal prosecution for the use of such force.

Section 3. KRS 503.080 is amended to read as follows:

(1) The use of physical force by a defendant upon another person is justifiable when the defendant believes that such force is immediately necessary to prevent:

(a) The commission of criminal trespass or burglary in a dwelling, building or upon real property in his possession or in the possession of another person for whose protection he acts; or

(b) Theft, criminal mischief, or any trespassory taking of tangible, movable property in his possession or in the possession of another person for whose protection he acts.

(2) The use of deadly physical force by a defendant upon another person is justifiable under subsection (1) only when the defendant believes that the person against whom such force is used is:

(a) Attempting to dispossess him of his dwelling otherwise than under a claim of right to its possession; or

(b) [~~Committing or attempting to commit a burglary of such dwelling; or~~

(~~e~~) Committing or attempting to commit arson of a dwelling or other building in his possession.

SECTION 4. A NEW SECTION OF KRS CHAPTER 413 IS CREATED TO READ AS FOLLOWS:

Any resident of a dwelling using physical force, including but not limited to deadly force, pursuant to the provisions of Section 2 of this Act, shall be immune from civil liability for injuries of death resulting from the use of such force."

Floor Title Amendment to **SB 185**, by Representative Castleman:

Amend printed copy of GA Copy of **SB 185** on page 1, by changing the title to read "AN ACT relating to crimes and punishments."

Floor Amendment No. 1 to Committee Substitute to **SB 199**, by Representative Lundergan:

Amend printed copy of GA Copy of **SB 199/HCS** on page 2, line 19, by adding thereafter

"Section 3. KRS 67A.600 is amended to read as follows:

(1) It is the intention of KRS 67A.360 to 67A.690 that the fund herein created shall supersede and take the place of the pension fund established under KRS 95.851 to 95.884 inclusive, for cities of the second class becoming urban-county governments, which sections shall be without force and effect, insofar as applicable to such urban-county governments, but said sections shall remain in full force and effect as relates to other cities of the second class.

(2) The fund created by KRS 67A.360 to 67A.690 shall succeed to and assume as of July 1, 1974, all assets of such pension funds, and shall continue to make payment of all annuities, pensions, and benefits granted by superseded pension funds at the rates previously fixed and under the conditions previously in effect, *except as provided in subsection (3) of this section.*

(3) (a) *Persons who retired under the provisions of KRS 95.520 to 95.620, or 95.851 to 95.884 in a city which subsequently was merged into an urban-county government, or their surviving spouses or eligible children, shall be granted an annual cost-of-living increase in their retirement or survivor's annuity of two percent (2%) compounded, from July 1, 1974 until the effective date of this Act. The survivor's annuity shall be determined as if the retired member's annuity had been increased annually by two percent (2%) compounded from the date of retirement until the date of death. For purposes of calculation, the member's or survivor's first increase shall occur July 1, 1974, but only after the member was retired for one (1) year or attained age fifty-one (51), whichever was later, or would have been retired one (1) year or reached the age of fifty-one (51), whichever was later, in the event the member died before being retired one (1) year or reaching the age of fifty-one (51), unless retirement was under disability in which case age and length of retirement criteria shall not apply.*

(b) *A retired member or his surviving spouse or surviving children below the age of eighteen (18) shall receive a lump sum retroactive payment of the annuity increase by August 1, 1988. The retroactive payment to the surviving spouse or eligible children shall include the retroactive payment due the deceased member. If both the member and the spouse are deceased and there are no eligible surviving children, no retroactive payment shall be made.*

(c) *After receipt of the retroactive increases, persons affected by this section shall be granted the same annual increase granted to retirees pursuant to KRS 67A.690(1), and the annuity on which this cost-of-living increment is based shall be the annuity level reached through the addition of annual compounded two percent (2%) increases pursuant to paragraph (a) of this subsection. If the member has not attained the age of fifty-one (51) or would not have attained the age of fifty-one (51) in the event the member is deceased, then the member or survivor shall continue to receive increases of two percent (2%) compounded annually until the member attains or would have attained age fifty-one (51), at which time the same annual increase granted to retirees who retired pursuant to KRS 67A.690(1) shall apply.*

(4) *The provisions of subsection (3) of this section shall not apply to any retiree or surviving spouse who receives a minimum retirement annuity, annually adjusted, pursuant to 1972 Acts Chapter 185, Section 1. If, in the future, any retiree or spouse annuity granted pursuant to this section falls below the adjusted minimum annuity, the affected retiree or spouse shall be granted, from that time forward, the adjusted minimum annuity calculated pursuant to 1972 Acts Chapter 185, Section 1.*

Section 4. KRS 67A.690 is amended to read as follows:

(1) *When a member has been retired for one (1) year or attained fifty-one (51) years of age, whichever is later or when he would have been retired for one (1) year or attained fifty-one (51) years of age in the event the member is deceased, the board shall increase his retirement annuity or the annuity paid to his widow or dependent children by not less than two percent (2%) nor more than five percent (5%) per year, compounded annually; and such increase shall be determined and granted annually thereafter by the board.*

(2) *Notwithstanding the provisions of subsection (1) any member who retires under disability shall be entitled to an increase in his retirement annuity, or in the event he is deceased, in the annuity paid to his widow or dependent children by two percent (2%) per year; and such increase shall be granted annually thereafter by the board. Such increase shall ~~not~~ be compounded ~~and shall be based on the original annuity~~ until and including the date upon which the member would have been retired for one (1) year or the date upon which he has attained fifty-one (51) years of age, whichever is later, or would have been retired for one (1) year or would have attained fifty-one (51) years of age in the event the member is deceased. Thereafter, the annuity paid to the member or to his widow or to the guardian of his minor children shall be increased as provided in subsection (1) of this section.*

(3) (a) *A member who retired pursuant to the provisions of KRS 67A.360 to 67A.690 prior to July 15, 1980, or pursuant to KRS 67A.690(2) after July 15, 1980, or his surviving spouse or eligible surviving children, shall be granted an annual cost-of-living increase in the retirement or survivor's annuity of two percent (2%) compounded from the date of retirement until the effective date of this Act. For purposes of calculation, unless the member retired under disability, the member's or survivor's first increase shall occur after the member was retired for one (1) year or attained the age of fifty-one (51), whichever was later, or would have been retired one (1) year or reached the age of fifty-one (51) whichever was later, in the event the member died before being retired one (1) year or reaching the age of fifty-one (51). In the case of retirement under disability, no age or length of retirement criteria shall apply.*

(b) *A retired member or his surviving spouse, or children below the age of eighteen (18) or age twenty-three (23), if engaged in full-time education, shall receive a lump sum retroactive payment of the annuity increase*

by August 1, 1988. The retroactive payment to the surviving spouse or eligible children shall include the retroactive payment due to the deceased member. If both the member and the spouse are deceased, and there are no eligible surviving children, no retroactive payment shall be made.

(c) The retroactive payment shall be a net figure, determined by subtracting from the figure determined pursuant to paragraph (a) of this subsection annuity increases granted to the retired member or surviving spouse or eligible children pursuant to subsections (1) or (2) of this section.

(d) After receipt of the retroactive increases, members of age fifty-one (51) or more affected by this subsection, or survivors of a member who would have been fifty-one (51) or more in the event the member is deceased, shall be granted the same annual increase granted to retirees who retired July 15, 1980 or thereafter, pursuant to subsection (1) of this section, and the annuity on which this cost-of-living increment is based shall be the annuity level reached through the addition of annual compounded two percent (2%) increases pursuant to paragraph (a) of this subsection, but not less than the annuity level in effect prior to July 15, 1988. If the member has not attained the age of fifty-one (51) or would not have attained the age of fifty-one (51) in the event the member is deceased, then the member or survivor shall continue to receive increases of two percent (2%) compounded annually until the member attains or would have attained age fifty-one (51), at which time the same annual increase granted to retirees who retired July 15, 1980 or thereafter shall apply.

(4) The provisions of subsection (3) of this section shall not apply to any retiree or surviving spouse who receives a minimum retirement annuity, annually adjusted, pursuant to KRS 67A.430. If, in the future, any retiree or spouse annuity granted pursuant to this section falls below the adjusted minimum annuity, the affected retiree or spouse shall be granted, from that time forward, the adjusted minimum annuity calculated pursuant to KRS 67A.430."

Floor Amendment No. 2 to **SB 199**, by Representative Stumbo:

Amend printed copy of GA Copy of **SB 199** on page 1, line 3, by inserting "(1)" before the word "Any";

And on page 1, after line 17, by adding the following:

"(2) Employees who transferred from the department of education to a school district, from a school district to the department of education, or from one (1) school district to another school district after July 15, 1981, but prior to July 15, 1982, shall receive credit for any unused sick leave to which the employee was entitled on the date of transfer. Such credit shall be for the purposes set forth in KRS 161.155(7)."

Floor Amendment No. 5 to Committee Substitute to **SB 235**, by Representative Burch:

Amend printed copy of **SB 235**, House Committee Substitute, on page 53, line 18,

By inserting the following new sections:

"SECTION 44. A NEW SECTION OF KRS CHAPTER 214 IS CREATED TO READ AS FOLLOWS:

(1) The cabinet for human resources, department for health services, shall, in consultation with local health officers, develop a state plan to prevent the spread of the human immunodeficiency virus (HIV), the virus which causes acquired immune deficiency syndrome (AIDS).

(2) Each district and local health department shall, in consultation with the cabinet for human resources, department for health services, develop a local plan to prevent the spread of the human immunodeficiency virus.

(3) State and local health officers shall make available to the public, health care providers, local school districts, colleges, and universities public information and educational materials about the HIV virus and AIDS, risk reduction education materials associated with transmission of the HIV virus, and confidential voluntary counseling and testing for infection with the HIV virus.

(4) The state department for health services shall:

(a) Prepare and disseminate to health care providers circulars of information and presentations describing

the epidemiology, testing, diagnosis, treatment, medical, counseling, and other aspects of HIV infection;

(b) Conduct health information programs to inform the general public of the medical and psychosocial aspects of HIV infection, including updated information on how HIV infection is transmitted and can be prevented. The department shall make available and prepare for free distribution among the residents of the state printed information concerning the dangers from HIV infection, its prevention, and the advisability of testing for infection with the virus;

(c) Prepare and update as necessary an educational program on HIV infection in the workplace for use by employers;

(d) Develop and implement HIV education risk-reduction programs for specific populations at higher risk for infection; and

(e) Develop and update as necessary a medically correct AIDS prevention curriculum for use at the discretion of local school districts. The AIDS prevention curriculum shall emphasize, but not be limited to, discussion of self-esteem, self-discipline, respect for others, self-discipline, respect for others, the emotional, educational, health and social advantages of premarital abstinence and the development of skills with which to practice premarital abstinence.

SECTION 45. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

When a physician in the normal course of medical practice diagnoses or knowingly treats a patient whose laboratory blood tests confirm an exposure to HIV, such physician shall provide information and counseling to such patient concerning his infection or diagnosis, and the known medical implication of such status or condition, and may also refer such patient to appropriate counseling services.

SECTION 46. A NEW SECTION OF KRS CHAPTER 18A IS CREATED TO READ AS FOLLOWS:

The department of personnel, in cooperation with the cabinet for human resources, shall develop, coordinate and implement an acquired immune deficiency syndrome education program for employes of the Commonwealth.

Section 47. The responsibilities of the department of personnel and of the cabinet for human resources to carry out the provisions of Sections 44 to 46 of this Act shall be limited to the amount of funding appropriated for Acquired Immune Deficiency Syndrome education. When such funds are exhausted no action shall be taken to compel the provision of additional services."

And on page 53, line 18.

By renumbering "Section 44" as "Section 48"

Floor Amendment No. 1 to **SB 239**, by Representative P. Richardson:

Amend printed copy of GA Copy of **SB 239** on page 2, line 17, by deleting the following numbers: "\$100,000 \$300,000 \$50,000" and by inserting in lieu thereof: "\$50,000 \$150,000 \$25,000".

Floor Amendment No. 1 to **SB 245**, by Representative Seum:

Amend printed copy of **SB 245** on page 5, line 22, after the word "system." by inserting the following, "Except, active fire prevention inspectors in a city of the first class at the time of transition to the county employes retirement system may choose membership in the county employees hazardous position retirement system or may retain membership in their present retirement system."

Floor Amendment No. 1 to **SB 284**, by Representative Ford:

Amend printed copy of GA Copy of **SB 284** on page 39, after line 17 by adding:

"SECTION 19. A NEW SECTION OF SUBTITLE 9 OF KRS CHAPTER 304 IS CREATED TO READ

AS FOLLOWS:

(1) On or after the effective date of this Act, no person licensed as a general lines agent as defined in KRS 304.9-030(1) shall write, issue, nonrenew or place into effect, as agent of record, any policy of motor vehicle insurance covering a private passenger automobile or a pick-up truck with a load capacity of fifteen hundred (1500) pounds or less, which has been sold as security required by subtitle 39 of KRS Chapter 304, or any policy of property insurance covering the building or contents of a single family dwelling, with any authorized insurer unless the agent then has in effect with the insurer a written company and agent agreement which provides that in the event of termination of the agreement by the insurer, except for good cause shown, the insurer will not refuse to renew and continue in force for a period of at least one (1) year from the date of termination any policy described in this subsection solely on the ground that the original producing agent of record no longer represents the insurer.

(2) The company and agent agreement required by subsection (1) of this section shall further provide that the termination of the agreement, except for good cause shown, shall be effective on a date at least ninety (90) days after the insurer notifies the agent by delivery of the notice to the agent or by mailing the notice to him certified mail postage prepaid.

(3) Each insurer shall pay to the agent of record at the time any policy is renewed under the requirements of subsection (1) of this section a service commission equal to the commission in effect at the time of termination. In the case of an exclusive agent, the commission shall be based on the contract in effect at the time of renewal.

(4) Good cause shown shall be deemed to exist if one (1) or more of the following conditions exists:

(a) The agent of record has had its license suspended or revoked by the department;

(b) The agent of record is indebted to the insurer;

(c) The insured has supplied the insurer with a written request that its agent of record be changed to another agent of the insurer;

(d) The agent of record has authorized transfer of this account to another licensed agent of the insurer;

(e) The commissioner has determined after a public hearing that continuation of this relationship is not in the best interest of the public.

SECTION 20. A NEW SECTION OF SUBTITLE 9 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

General lines insurance agents shall not refuse to do business with any person solely because the person's insurance shall be procured through a residual market mechanism as defined in KRS 304.13-011(8)."

Floor Amendment No. 2 to **SB 285**, by Representative Ford:

Amend printed copy of GA Copy of **SB 285** on page 30, after line 17 and before line 18 by adding:

"SECTION 13. A NEW SECTION OF SUBTITLE 9 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

(1) On or after the effective date of this Act, no person licensed as a general lines agent as defined in KRS 304.9-030(1) shall write, issue, nonrenew or place into effect, as agent of record, any policy of motor vehicle insurance covering a private passenger automobile or a pick-up truck with a load capacity of fifteen hundred (1500) pounds or less, which has been sold as security required by subtitle 39 of KRS Chapter 304, or any policy of property insurance covering the building or contents of a single family dwelling, with any authorized insurer unless the agent then has in effect with the insurer a written company and agent agreement which provides that in the event of termination of the agreement by the insurer, except for good cause shown, the insurer will not refuse to renew and continue in force for a period of at least one (1) year from the date of termination any policy described in this subsection solely on the ground that the original producing agent of record no longer represents the insurer.

(2) The company and agent agreement required by subsection (1) of this section shall further provide that the termination of the agreement, except for good cause shown, shall be effective on a date at least ninety (90) days after the insurer notifies the agent by delivery of the notice to the agent or by mailing the notice to him certified mail postage prepaid.

(3) Each insurer shall pay to the agent of record at the time any policy is renewed under the requirements of subsection (1) of this section a service commission equal to the commission in effect at the time of termination. In the case of an exclusive agent, the commission shall be based on the contract in effect at the time of renewal.

(4) Good cause shown shall be deemed to exist if one (1) or more of the following conditions exists:

(a) The agent of record has had its license suspended or revoked by the department;

(b) The agent of record is indebted to the insurer;

(c) The insured has supplied the insurer with a written request that its agent of record be changed to another agent of the insurer;

(d) The agent of record has authorized transfer of this account to another licensed agent of the insurer;

(e) The commissioner has determined after a public hearing that continuation of this relationship is not in the best interest of the public.

SECTION 14. A NEW SECTION OF SUBTITLE 9 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

General lines insurance agents shall not refuse to do business with any person solely because the person's insurance shall be procured through a residual market mechanism as defined in KRS 304.13-011(8)."; and

On page 30, line 18 by changing "13" to "15".

Floor Amendment No. 1 to **SB 293**, by Representative Long:

Amend printed copy of GA Copy of **SB 293** on page 5, line 8, after the word "properties" by adding:

"; and, shall not operate to impair or restrict any right or power of eminent domain created by statute, and all such rights and powers shall be exercisable as if the conservation easement did not exist".

Floor Amendment No. 2 to **SB 293**, by Representative Johnson:

Amend printed copy of GA copy of **SB 293** on page 5, after line 13, insert the following:

"Section 8. KRS 382.480 is amended to read as follows:

(1) Notices of tax liens payable to the United States and certificates discharging such liens shall be filed by the collector of internal revenue, in duplicate, in the office of the county clerk of each county within which the property subject to the lien is located.

(2) When a notice of a federal tax lien is filed, the county clerk shall forthwith enter the same in an alphabetical federal tax lien index, showing on one line the name and residence of the taxpayer named in the notice, the collector's serial number of such notice, the date and hour of filing, and the amount of tax and penalties. He shall endorse on both the original and duplicate copies of the notice the date and hour of filing and shall mail the duplicate to the collector of internal revenue from whom received. The county clerk shall file and keep all original notices so filed, in numerical order, in a file [~~or files~~] designated "Federal Tax Lien Notices," or in the encumbrance book.[⁴]

(3) Notices of all other liens payable to the United States, including, but not limited to environmental

protection liens, and certificates discharging such liens shall be filed, in duplicate, in the office of the county clerk of each county within which the property subject to the lien is located.

(4) When a notice of a federal lien as provided by subsection (3) of this section is filed, the county clerk shall forthwith enter the same in an alphabetical federal lien index, showing on one (1) line the name and residence of the property owner named in the notice, identifying the specific lien holder, the date and hour of filing, and the amount of the lien. He shall indorse on both the original and duplicate copies of the notice the date and hour of filing and shall mail the duplicate to the lien holder from whom received. The county clerk shall file and keep all original notices so filed, in numerical order, in a file designated "Federal Lien Notices," or in the encumbrance book.

Section 9. KRS 382.490 is amended to read as follows:

(1) When a certificate of discharge of any tax lien issued by the collector of internal revenue is filed in the office of the county clerk where the original notice of the lien is filed, the county clerk shall enter the certificate, with the date of filing, in the federal tax lien index, on the same line where the notice of the lien so discharged is entered, and shall permanently attach the original certificate of discharge to the original notice of lien. He shall mail the duplicate to the collector of internal revenue from whom received.

(2) *When a certificate of discharge of any lien as provided by KRS 382.480(3) is filed, the county clerk shall enter the certificate, with the date of filing, in a federal lien index, on the same line where the notice of the lien so discharged is entered, and shall permanently attach the original certificate of discharge to the original notice of lien. He shall mail the duplicate to the lien holder from whom received.*

Floor Title Amendment to **SB 293**, by Representative Johnson:

Amend printed copy of GA copy of **SB 293** on page 1, by amending the title to read as follows: "AN ACT relating to property."

Floor Amendment No. 1 to **SB 294**, by Representative Noe:

Amend printed copy of GA Copy of **SB 294** on page 7, line 3, after "Section 2." by adding the following:

"KRS 158.650 is amended to read as follows:

As used in KRS 158.660 to 158.750 [~~158.730~~], unless the context otherwise requires:

(1) "Department" means the state department of education;

(2) "Competencies" means the possession of skills, knowledge and understandings to the degree they can be demonstrated or measured;

(3) "Basic skills" means reading, writing, spelling, mathematics, and library research reference skills;

(4) "Product goals" means expected student and school district outcomes as approved by the state board of education;

(5) "Process goals" means systematic and orderly procedures including specific actions and time frames to be followed in achieving product goals;

(6) "Library research reference skills" means the ability to locate and utilize various sources of information;

(7) [~~"Essential skills" means those skills identified in academic subject areas by the state board of education as being necessary for a student to master.~~]

(8) "Standards" means acceptable levels of attainment school districts shall meet in program and service offerings and students shall meet in attaining [~~competencies in~~] the *basic* [~~essential~~] skills as established by the state board of education;

(8) [(9)] "Educationally deficient school districts" means school districts which do not meet minimum standards in program and service offerings or in which insufficient numbers of students meet minimum standards of attainment of *basic* [~~competencies in the essential~~] skills;

(9) [(10)] "Annual performance report" means the report published annually by each local board of education that presents the district's performance with regard to product goals as established by state board of education regulations;

(10) [(11)] "Accreditation report" means the report prepared by a department evaluation team and approved by the state board of education that assesses the availability and adequacy of the resources that are needed in a local school district to provide an adequate education program as defined by state board of education regulation; and

(11) [(12)] "Educational improvement plan" means the plan developed by a local school district in consultation with, and approved by, the state board of education that establishes the process goals to correct identified deficiencies in product goals and is approved by the local board of education and the state board of education.

Section 3. KRS 158.660 is amended to read as follows:

It is the intention of the general assembly in enacting KRS 158.650 to 158.740:

(1) To assure the right of each student in the public schools of this state to acquire the *basic* [~~competencies in the essential~~] skills *at a level necessary for completing high school, pursuing a course of study in post secondary education, or entering the work force in our society;*

(2) To assure each student in the public schools access to those programs and services appropriate to his educational needs in the *basic* [~~areas of competencies in the essential~~] skills;

(3) To assure that each school district will be held accountable for students in meeting standards of attainment in *basic* [~~of competencies in the essential~~] skills *areas* and for meeting standards in providing programs and services for students;

(4) To require the state board of education to establish standards by which acceptable levels of attainment shall be determined; and

(5) To require the state board of education to identify school districts which are educationally deficient and to provide such districts with program, financial, and other consultation and assistance as necessary to develop and implement strategies and programs to eliminate deficiencies.

Section 4. KRS 158.685 is amended to read as follows:

(1) The state board of education shall establish standards which school districts shall meet in program and service offerings and set forth the minimum performance for students in attaining *basic* [~~competencies in the essential~~] skills pursuant to KRS 158.660.

(2) The state board of education shall declare a school district to be educationally deficient when, in any school year, the district fails to meet or make satisfactory progress toward meeting minimum program and service standards or *achievement standards* [~~an insufficient number of students,~~] as defined by state board of education regulations; ~~fail to attain or fail to make satisfactory progress toward attaining minimum competency in the essential skills standards established~~ pursuant to subsection (1) of this section.

(3) The superintendent of public instruction, upon approval of the state board of education, shall provide consultation and assistance to any school district which has been declared educationally deficient by the state board of education in eliminating the deficiency. The school districts shall be provided consultation and guidance relative to programs, services, finances, personnel, and any other areas wherein appropriate changes would be reasonably calculated to eliminate or alleviate the deficiency and in developing and implementing an educational improvement plan pursuant to KRS 158.710. Such changes, whenever allowable under Kentucky Revised Statutes, may include more expeditious correction of accreditation report deficiencies, improved personnel administration, more efficient management practices and other administrative and academic actions

to improve the local districts' performance.

(4) Failure by an educationally deficient school district to implement the approved educational improvement plan shall be grounds for the superintendent of public instruction, with the concurrence of the state board of education, to intervene in the operation of a local school district and limit the authority of the local superintendent and local board of education to act in the following areas:

- (a) Expenditure of funds;
- (b) Employment and dismissal of personnel;
- (c) Establishment and modification of the school calendar;
- (d) Instructional program and policies;
- (e) Student code of conduct; and
- (f) Other areas as may be designated by state board of education regulation.

(5) Action initiated pursuant to subsection (4)(b) of this section, relative to employment and dismissal of personnel, shall be in accordance with the provisions of KRS 161.720 to 161.810 and 161.990. To facilitate the implementation of the educational improvement plan in an educationally deficient school district, the superintendent of public instruction, with the approval of the state board of education, may require an annual reallocation of an amount not to exceed twenty-five percent (25%) of the power equalization program funds received by the district to address program and service needs outlined in the educational improvement plan.

(6) Failure to implement the educational improvement plan shall constitute grounds for removal from office pursuant to KRS 156.132 to 156.136. This section shall not be deemed to create a statutory cause of action for educational malpractice by students, their parents or guardians.

Section 5. KRS 158.690 is amended to read as follows:

The department shall develop and implement a statewide assessment program in accordance with the following:

(1) This program shall be for the purpose of measuring and reporting student progress and achievement in the basic skills in grades *kindergarten to twelve (12)* [~~three (3), five (5), seven (7) and ten (10)~~] and other product goal and competency areas as determined by the state board of education upon recommendation of the superintendent of public instruction;

(2) Appropriate tests shall be administered annually;

(3) Results of these tests shall be compiled on a statewide, district and school basis by the department and shall be reported to the governor, the state advisory committee for educational improvement, the legislative research commission, the state board of education, and local boards of education. The report of scores shall be a *summary of results* [~~the percent of students mastering each essential skill~~] in each *basic skills* area by grade level. Local boards of education shall publish in the newspaper with the largest circulation in the county by October 1 of each year an annual performance report on district accomplishments and activities pertaining to product goals including, but not limited to, retention rates and student performance on basic [~~and essential~~] skills tests by grade level, the districts' goals for the succeeding year and other items as may be set forth in state board of education regulations; and

(4) The results of these tests shall be used by local boards of education for the development of educational improvement plans and shall not be used for the evaluation of teachers or administrators for the purpose of promotion, demotion, transfer, or dismissal, nor for state ranking of school districts other than by grade level.

Section 6. KRS 158.700 is amended to read as follows:

The department shall assume the following functions in implementing the educational improvement act:

(1) The department shall purchase *nationally normed* [~~or cause to be developed~~] tests appropriate to the Commonwealth of Kentucky for measuring student progress and achievement in the basic skills in grades *kindergarten to twelve (12)* [~~3, 5, 7 and 10~~]. These tests shall be reviewed for appropriateness and shall be modified or revised as is necessary;

(2) The department shall purchase [~~or cause to be developed~~] tests appropriate to *kindergarten to twelve (12)* [~~3rd, 5th, 7th, and 10th~~] grade students in Kentucky for measuring proficiency in other product goal areas as determined by the state board of education upon recommendation of the superintendent of public instruction. These tests shall be reviewed for appropriateness and shall be modified or revised as is necessary;

(3) The department shall cause to be administered annually, all tests specified in subsections (1) and (2) of this section to all students in grades *kindergarten to twelve (12)* [~~3, 5, 7 and 10~~] in all of the public schools of the state. The department shall allow local school districts to exempt exceptional children, as defined in KRS 157.200, for whom the tests specified in subsections (1) and (2) of this section are determined inappropriate because of the nature and severity of the handicapping condition if recommended by the admissions and release committee;

(4) The department shall score or cause to be scored all tests specified in subsections (1) and (2) of this section, compile results for each local school district, and return these results to the appropriate district by August 1 of each year;

(5) The department shall, upon the request of a local school district, provide assistance in interpreting test results;

(6) The department shall, upon request of a local school district, provide technical assistance in the area of program development and in districts declared educationally deficient by the state board of education, the department shall provide assistance as provided in KRS 158.685(3);

(7) The department shall review and approve local plans for educational improvement consistent with guidelines approved by the state board of education; and

(8) The department of education shall annually review both state process and product goals and modify when appropriate.

Section 7. KRS 158.750 is amended to read as follows:

(1) [By January 1, 1987, the state board of education shall assure that each pupil in the public schools of the Commonwealth is taught and is mastering the essential skills necessary to function in each basic skills area defined by KRS 158.650 to 158.730. The state board of education shall:

(a) By July 15, 1984, determine the essential skills necessary for pupils to successfully complete each grade level. The essential skills shall be established for each of the basic skills areas established by KRS 158.650 to 158.730 for kindergarten and grades one (1) through twelve (12), though such essential skills established for kindergarten shall not be required for all the basic skills areas. Parents, teachers, administrators and representatives of groups interested in education shall be consulted in determining the essential skills. At least every four (4) years, the essential skills shall be reviewed and revised if necessary;

(b) Prior to the 1984-85 school year, disseminate the essential skills to local school districts and require the essential skills be taught to each pupil, at each grade level, in each public school;

(c) By April 1, the department of education shall purchase [~~1985, develop~~] and disseminate to all local school districts *nationally normed* tests. The tests shall be administered in accordance with a schedule established by the state board of education upon recommendation of the state board of education [to determine mastery of essential skills for mathematics and reading for each grade level to local school districts for administration prior to the end of the 1984-85 school year. Tests to determine mastery of essential skills for all basic skills areas set forth in KRS 158.650 to 158.730 shall be developed for each grade level and disseminated to all local school districts for administration prior to the end of the 1985-86 school year and after the one hundred and sixtieth (160th) day and before the one hundred and seventieth (170th) day of instruction in all school

years thereafter through the 1987-88 school year. Following the complete testing and reporting cycle for 1987-88, requirements for administration, scoring and reporting of this test shall no longer be authorized without approval of the general assembly]; and

(2) ~~[(d)]~~ The department shall score or cause to be scored all tests specified in ~~[paragraph (c) of this subsection (1) of this section, compile and analyze results, and assist local school districts interpreting tests results and in developing programs to improve academic performance. [Students shall be classified as masters, partial masters and nonmasters of the essential skills.~~

(2) The superintendent shall report to the 1988 general assembly on the feasibility and advisability of administering the essential skills test at the beginning of the school year.]

(3) Pupils identified as exceptional children pursuant to KRS 157.200 may be exempt from the requirements of this section if such exemption is in compliance with state board of education regulations and is recommended by the admissions and release committee. Exemptions shall be included in the pupil's individual educational plan.

(4) (a) The department of education shall allocate funds to local school districts to provide remedial instruction programs for pupils in the first and second grades who are deficient in the basic skills areas of reading and mathematics. The amount of funds to be allocated to each district shall be determined by a formula established by the state board of education which shall include, but not be limited to, the following factors:

1. Percent of students receiving free or reduced lunches;
2. Dropout rate;
3. Enrollment in the kindergarten, first and second grades; and
4. Percentage of each school district's participation in the remediation program in the previous year.

(b) Each school district shall select pupils to be served by the remedial instruction program who are deficient in the skill areas of reading and mathematics based upon the following criteria:

1. Academic performance as measured by an approved norm referenced test;
2. Profile on an approved teacher administered checklist; and
3. Teacher recommendation.

(c) In the event that sufficient funds are available, eligible pupils in the third grade may be selected for participation in the remediation program; however all eligible pupils in the first and second grades shall be provided remediation first.

(d) School districts shall select the type of remedial program models to be provided from an approved list which shall be compiled by the department of education. Any proposed program model not included within the list shall be submitted to the department of education for approval prior to implementation. The department of education shall monitor the effectiveness of remedial programs provided by school districts and shall revise the list of approved programs, if needed, based upon the effectiveness of the programs [Based on the results of the essential skills test, the department of education shall determine the number and type of units needed for each district to provide a remedial instruction program for the pupils who fail to meet mastery and notify the districts of their tentative allotment based on pupil need. In the event a greater number of units are needed than are appropriated in the biennial budget, the department of education shall adjust the allotment to districts in a manner which is proportionate to the need as indicated by the essential skills test results;

(b) Supplemental classroom units, to include only a salary allotment and current operating expense allotment, as defined in KRS 157.360, shall be allotted to local school districts to provide a remedial instruction program for each thirteen (13) pupils who at the end of their kindergarten, first, or second grade years are nonmasters of the essential skills as determined by state board of education regulations; and

(e) A salary allotment for a teacher aide as defined in KRS 161.010(5), shall be allotted for each twenty (20) pupils who at the end of their kindergarten, first, or second grade years are partial masters of the essential skills as determined by state board of [education regulations: The supplemental classroom units allotted under this subsection shall not exceed the units provided in the biennial budget without approval of the governor].

Section 8. KRS 605.110 is amended to read as follows:

(1) Unless provided otherwise, when any child committed to the cabinet requires medical or surgical care or treatment, the cabinet may provide the same or arrange for the furnishing thereof by other public or private agencies, and may give consent to such medical or surgical treatment. For this purpose, the services and facilities of local health officers and departments shall be made available to the cabinet, and as far as practicable any publicly-owned hospital shall provide hospitalization without charge for any such child who is a resident of the political subdivision by which the hospital is owned or operated. This section does not authorize nor shall permission be granted for abortion or sterilization.

(2) Any child placed in a foster family home by an agency duly authorized in KRS Chapter 620 to place a child in a foster family home shall receive a complete medical, visual, and dental examination by a professional authorized by the Kentucky Revised Statutes to conduct such examinations. Any child placed in a foster family home shall receive such examinations within two (2) weeks of being placed in a foster family home and not less than every twelve (12) months thereafter.

(3) Children maintained in any of the facilities and programs operated by the cabinet shall so far as possible receive a common school education. Those children requiring segregation, restraint or specialized treatment shall be provided supplemental or special education. The department of education, to the extent of available facilities shall assist and cooperate with the department in the educational programs for the facilities and programs. Administrative regulations shall be promulgated by the cabinet in cooperation with the Kentucky department of education regarding the education of children in state agency programs operated or contracted by the cabinet for children requiring services in day treatment, residential facilities, mental retardation facilities and clinical programs. Administrative regulations shall include but not be limited to certification of teachers, curriculum offerings, accreditation, transfer of credits, affected eligibility for sports programs and extra curricular activities, transition to and from local education agencies, use of state agency children's funds, implementation of Public Law 94-142, as amended, in-service training of teachers, supervision and evaluation of teachers, discipline of children, educational assessment which includes testing for *basic* [Kentucky essential] skills, library services, provision and use of state adopted text books, and administrative structure of individual programs.

Section 9."

And on page 7, line 9, after the word "and" by adding "Section 1 of".

Floor Amendment No. 1 to SB 314, by Representative Johnson:

Amend printed copy of GA copy of SB 314 on page 2, after line 19, insert the following:

"Section 4. KRS 382.480 is amended to read as follows:

(1) Notices of tax liens payable to the United States and certificates discharging such liens shall be filed by the collector of internal revenue, in duplicate, in the office of the county clerk of each county within which the property subject to the lien is located.

(2) When a notice of a federal tax lien is filed, the county clerk shall forthwith enter the same in an alphabetical federal tax lien index, showing on one line the name and residence of the taxpayer named in the notice, the collector's serial number of such notice, the date and hour of filing, and the amount of tax and penalties. He shall endorse on both the original and duplicate copies of the notice the date and hour of filing and shall mail the duplicate to the collector of internal revenue from whom received. The county clerk shall file and keep all original notices so filed, in numerical order, in a file [or files] designated "Federal Tax Lien Notices," or in the encumbrance book.[4]

(3) Notices of all other liens payable to the United States, including, but not limited to environmental protection liens, and certificates discharging such liens shall be filed, in duplicate, in the office of the county

clerk of each county within which the property subject to the lien is located.

(4) When a notice of a federal lien as provided by subsection (3) of this section is filed, the county clerk shall forthwith enter the same in an alphabetical federal lien index, showing on one (1) line the name and residence of the property owner named in the notice, identifying the specific lien holder, the date and hour of filing, and the amount of the lien. He shall indorse on both the original and duplicate copies of the notice the date and hour of filing and shall mail the duplicate to the lien holder from whom received. The county clerk shall file and keep all original notices so filed, in numerical order, in a file designated "Federal Lien Notices," or in the encumbrance book.

Section 5. KRS 382.490 is amended to read as follows:

(1) When a certificate of discharge of any tax lien issued by the collector of internal revenue is filed in the office of the county clerk where the original notice of the lien is filed, the county clerk shall enter the certificate, with the date of filing, in the federal tax lien index, on the same line where the notice of the lien so discharged is entered, and shall permanently attach the original certificate of discharge to the original notice of lien. He shall mail the duplicate to the collector of internal revenue from whom received.

(2) When a certificate of discharge of any lien as provided by KRS 382.480(3) is filed, the county clerk shall enter the certificate, with the date of filing, in a federal lien index, on the same line where the notice of the lien so discharged is entered, and shall permanently attach the original certificate of discharge to the original notice of lien. He shall mail the duplicate to the lien holder from whom received."

Floor Title Amendment to **SB 314**, by Representative Johnson:

Amend printed copy of GA copy of **SB 314** on page 1, by amending the title to read as follows: "AN ACT relating to financial obligations."

Floor Amendment No. 1 to **SB 324**, by Representative Johnson:

Amend printed copy of **SB 324** by attaching the provisions of **HB 521** as amended.

Floor Title Amendment to **SB 324**, by Representative Johnson:

Amend printed copy of **SB 324** by changing the title to read:

"AN ACT relating to occupations and professions."

Floor Title Amendment to Committee Substitute to **SB 328**, by Representative LeMaster:

Amend printed copy of House Committee Substitute to **SB 328** by amending the title to read as follows:

"AN ACT relating to products containing alcohol."

Floor Amendment No. 2 to **SB 329**, by Representative Little:

Amend printed copy of GA Copy of **SB 329** on page 9, after line 23, by inserting the following:

SECTION 4. A NEW SECTION OF KRS CHAPTER 132 IS CREATED TO READ AS FOLLOWS:

(1) On and after January 1, 1989, any person owning and engaged in the business of extracting or leasing mineral resources shall, as of January 1 each year, and by February 1, report to the revenue cabinet information relating to the value or production of mineral resources from its property. The revenue cabinet shall provide standard forms for reporting mineral production and other information that bears on the value of mineral properties. Producers shall complete and file annually the appropriate forms for each of their properties.

(2) On and after January 1, 1989, the revenue cabinet shall determine the fair cash value of all mineral

resources using all applicable standard valuation methods and taking into account all factors that influence value. In determining fair cash value, the revenue cabinet shall consider the findings and conclusions of the Kentucky Geological Survey regarding geological information about the mineral resources, and the commercial value, or lack thereof, of those mineral resources. In determining the assessed value of mineral resources, if appropriate to the particular mineral being assessed, the revenue cabinet shall consider whether the mineral resources are "active mining property," "active reserves," inactive reserves," "barren property," "unminable property" or "commercially unminable property", as those terms are defined at KRS 132.010. In determining the assessed value of non-hydrocarbon mineral resources the revenue cabinet shall consider whether or not there is currently active mining or quarrying operation in the vicinity of the non-hydrocarbon mineral resources being assessed.

(3) When the valuation has been finally determined, the cabinet shall certify the valuation to the property valuation administrator who shall place the valuation upon the county assessment rolls and give notice to the property owner as provided in KRS 132.450.

SECTION 5. A NEW SECTION OF KRS CHAPTER 132 IS CREATED TO READ AS FOLLOWS:

If any tract of mineral resources valued as barren or unminable property is prepared for extraction, that tract of mineral resources shall be subject to revaluation based on the current fair cash value of the tract; and the owner shall be liable for taxes based on the fair cash value for the two (2) years immediately preceding the year of revaluation but shall not be liable for deferred taxes for any year prior to the effective date of this Act. Active mining property which becomes barren upon extraction of mineral resources shall be valued at its lower value on January 1 following the year in which the mineral resources were extracted. "Prepared for extraction" as used in this section means property for which a permit application has been submitted but for which a permit has not been issued by the natural resources and environmental protection cabinet pursuant to KRS Chapter 350.

SECTION 6. A NEW SECTION OF KRS CHAPTER 132 IS CREATED TO READ AS FOLLOWS:

Revenue produced pursuant to KRS 132.020(1) from the assessment and levy upon mineral resources shall be distributed as follows: for each of the fiscal years beginning July 1, 1988, and July 1, 1989, the lesser of the sum of one million dollars (\$1,000,000) or the total revenue produced from the assessment and levy upon mineral resources for the year shall be transferred to the "restricted fund group" established by KRS 45.322(1)(e) for use by the revenue cabinet for the purpose of assessing mineral resources. Any revenue produced in excess of this amount shall be transferred to the "operating fund group" established by KRS 45.322(1)(a) for the general operations of state government.

SECTION 7. A NEW SECTION OF KRS CHAPTER 132 IS CREATED TO READ AS FOLLOWS:

Beginning January 1, 1989, and each January 1 thereafter, the county clerk shall provide a list of all transfers of mineral resources for the prior year to the revenue cabinet by February 1 each year which shall include references to deed books and page numbers where the record of the transaction may be found.

Section 5. KRS 132.010 is amended to read as follows:

As used in this chapter, unless the context otherwise requires:

- (1) "Cabinet" means the revenue cabinet.
- (2) "Taxpayer" means any person, natural or legal, made liable by law to file a return or pay a tax.
- (3) "Real property" includes all lands and mineral resources within this state and improvements thereon.
- (4) "Personal property" includes every species and character of property, tangible and intangible, other than real property.

(5) "Resident" means any person who has taken up a place of abode within this state with the intention of continuing to abide in this state; any person who has had his actual or habitual place of abode in this state for the larger portion of the twelve (12) months next preceding the date as of which an assessment

is due to be made shall be deemed to have intended to become a resident of this state.

(6) "Compensating tax rate" means that rate which, rounded to the next higher one-tenth of one cent per one hundred dollars of assessed value and applied to the current year's assessment of the property subject to taxation by a taxing district, excluding new property and personal property, produces an amount of revenue approximately equal to that produced in the preceding year from real property. However, in no event shall the compensating tax rate be a rate which, when applied to the total current year assessment of all classes of taxable property, produces an amount of revenue less than was produced in the preceding year from all classes of taxable property. For purposes of this subsection, "property subject to taxation" means the total fair cash value of all property subject to full local rates, less the total valuation exempted from taxation by the homestead exemption provision of the Constitution and the difference between the fair cash value and agricultural or horticultural value of agricultural or horticultural land.

(7) "Net assessment growth" means the difference between:

(a) The total valuation of property subject to taxation by the county, city, school district or special district in the preceding year, less the total valuation exempted from taxation by the homestead exemption provision of the Constitution in the current year over that exempted in the preceding year, and

(b) The total valuation of property subject to taxation by the county, city, school district or special district for the current year.

(8) "New property" means the net difference in taxable value between real property additions and deletions to the property tax roll for the current year. "Real property additions" shall mean:

(a) Property annexed or incorporated by a municipal corporation, or any other taxing jurisdiction, however, this definition shall not apply to property acquired through the merger or consolidation of school districts, or the transfer of property from one school district to another;

(b) Property, the ownership of which has been transferred from a tax-exempt entity to a nontax-exempt entity;

(c) The value of improvements to existing nonresidential property;

(d) The value of new residential improvements to property;

(e) The value of improvements to existing residential property when the improvement increases the assessed value of the property by fifty percent (50%) or more;

(f) Property created by the subdivision of unimproved property, provided, that when such property is reclassified from farm to subdivision by the property valuation administrator the value of such property as a farm shall be a deletion from that category;

(g) Property exempt from taxation, as an inducement for industrial or business use, at the expiration of its tax exempt status;

(h) Property, the tax rate of which will change, according to the provisions of KRS 82.085, to reflect additional urban services to be provided by the taxing jurisdiction, provided, however, that such property shall be considered "real property additions" only in proportion to the additional urban services to be provided to the property over the urban services previously provided; ~~and~~

(i) The value of improvements to real property previously under assessment moratorium; and

(j) *The value of mineral resources added to the tax rolls for the year in which such value is added to the tax rolls.*

"Real property deletions" shall be limited to the value of real property removed from, or reduced over the preceding year on, the property tax roll for the current year.

(9) "Agricultural land" means any tract of land, including all income-producing improvements but excluding all residences, of at least ten (10) contiguous acres in area used for the production of livestock, livestock products, poultry, poultry products and/or the growing of tobacco and/or other crops including timber, or where devoted to and meeting the requirements and qualifications for payments pursuant to agriculture programs under an agreement with the state or federal government, where such activities produced an average annual gross income including payments under a state or federal program according to the following scale:

Acres	Annual Gross Income	Income Per Acre
10 to 30	\$1,000+	\$60.00 per acre, or a fraction thereof, over 10 acres.
30 to 60	\$2,200+	\$40.00 per acre, or a fraction thereof, over 30 acres.
60 to 100	\$3,400+	\$25.00 per acre, or a fraction thereof, over 60 acres.
100 to 250	\$4,400+	\$10.00 per acre, or a fraction thereof, over 100 acres.
Over 250	\$5,900+	\$5.00 per acre, or a fraction thereof, over 250 acres.

The above annual gross income amounts must be achieved in three (3) out of the five (5) years preceding the tax year or there must be an annual gross income of these amounts within two (2) years of purchase. Land devoted exclusively to the growing of merchantable timber or nonincome-producing woodland is excluded from the gross income provisions.

(10) "Horticultural land" means any tract of land, including all income-producing improvements but excluding all residences, of at least five (5) contiguous acres in area commercially used for the cultivation of a garden, orchard, or the raising of fruits or nuts, vegetables, flowers or ornamental plants, where such activities produced an average annual gross income according to the following scale:

Acres	Annual Gross Income+	Income Per Acre
5 to 30	\$1,000 minimum, or	\$100.00 per acre, or a fraction thereof, over 5 acres, or whichever amount is greater.
30 to 60	\$3,000+	\$50.00 per acre, or a fraction thereof, over 30 acres.
60 to 100	\$4,500+	\$25.00 per acre, or a fraction thereof, over 60 acres.
100 to 250	\$5,500+	\$10.00 per acre, or a fraction thereof, over 100 acres.
Over 250	\$7,000+	\$5.00 per acre, or a fraction thereof, over 250 acres.

The above annual gross income amounts must be achieved in three (3) out of the five (5) years preceding the tax year or there is evidence of anticipated annual gross income of these amounts. Land devoted exclusively to the growing of merchantable timber or nonincome-producing woodland is excluded from the gross income provisions.

(11) "Agricultural or horticultural value" means the use value of "agricultural or horticultural land" based upon income-producing capability and comparable sales of farmland purchased for farm purposes where the price is indicative of farm use value, excluding sales representing purchases for farm expansion, better accessibility, and other factors which inflate the purchase price beyond farm use value, if any, considering the following factors as they affect a taxable unit:

- (a) Relative percentages of tillable land, pasture land, and woodland;

- (b) Degree of productivity of the soil;
- (c) Risk of flooding;
- (d) Improvements to and on the land that relate to the production of income;
- (e) Row crop capability including allotted crops;
- (f) Accessibility to all-weather roads and markets; and

(g) Factors which affect the general agricultural or horticultural economy, such as: interest, price of farm products, cost of farm materials and supplies, labor, or any economic factor which would affect net farm income.

(12) "Deferred tax" means the difference in the tax based on agricultural or horticultural value and the tax based on fair cash value.

(13) "Homestead" means real property maintained as the permanent residence of the owner with all land and improvements adjoining and contiguous thereto including, but not limited to, lawns, drives, flower or vegetable gardens, outbuildings and all other land connected thereto.

(14) "Residential unit" means all or that part of real property occupied as the permanent residence of the owner.

(15) "Special benefits" are those which are provided by public works not financed through the general tax levy but through special assessments against the benefited property.

(16) "Mobile home" means a structure, transportable in one (1) or more sections, which when erected on site measures eight (8) body feet or more in width and thirty-two (32) body feet or more in length, and which is built on a permanent chassis and designed to be used as a dwelling, with or without a permanent foundation, when connected to the required utilities, and includes the plumbing, heating, air-conditioning, and electrical systems contained therein. It may be used as a place of residence, business, profession, or trade by the owner, lessee or their assigns and may consist of one (1) or more units that can be attached or joined together to comprise an integral unit or condominium structure.

(17) "Recreational vehicle" means a vehicular type unit primarily designed as temporary living quarters for recreational, camping, or travel use, which either has its own motive power or is mounted on or drawn by another vehicle. The basic entities are: travel trailer, camping trailer, truck camper and motor home.

(a) Travel trailer: A vehicular unit, mounted on wheels, designed to provide temporary living quarters for recreational, camping, or travel use, and of such size or weight as not to require special highway movement permits when drawn by a motorized vehicle, and with a living area of less than two hundred twenty (220) square feet, excluding built-in equipment (such as wardrobes, closets, cabinets, kitchen units or fixtures) and bath and toilet rooms.

(b) Camping trailer: A vehicular portable unit mounted on wheels and constructed with collapsible partial side walls which fold for towing by another vehicle and unfold at the camp site to provide temporary living quarters for recreational, camping, or travel use.

(c) Truck camper: A portable unit constructed to provide temporary living quarters for recreational, travel, or camping use, consisting of a roof, floor, and sides, designed to be loaded onto and unloaded from the bed of a pick-up truck.

(d) Motor home: A vehicular unit designed to provide temporary living quarters for recreational, camping or travel use built on or permanently attached to a self-propelled motor vehicle chassis or on a chassis cab or van which is an integral part of the completed vehicle.

(18) "Mineral resources" mean all forms of minerals which have not yet been mined or removed from the earth for which there exists a method of extraction in common usage in the particular industry and a commercial use for which the mined mineral could be devoted under available technologies.

(19) "Active mining property" means mineral resources on a parcel or tract of land actively being mined, or for which a permit to mine has been obtained from the Kentucky natural resources and environmental protection cabinet, pursuant to KRS Chapter 350. The existence of a permit issued by the Kentucky natural resources and environmental protection cabinet pursuant to KRS Chapter 224 shall not be conclusive proof that the entire

area so permitted is "active mining property". Each permittee permitted under KRS Chapter 224 shall submit to the Revenue Cabinet a map of the area it intends to mine within the next two (2) years, considering the most recent year's rate of production on active mining property.

(20) "Active reserves" means those mineral resources in excess of active mining property, under common ownership, lease or control with active mining property, containing a seam which is the same as or substantially similar to that being mined in the active mining property, and which consists of acreage containing mineral resources which could be economically mined within five (5) years using the most recent year's rate of production on active mining property.

(21) "Inactive reserves" means those seams of mineral resources which are not classifiable as either "active mining property", "active reserves", "barren property", "unminable property" or "commercially unminable property".

(22) "Barren property" means those seams of mineral resources not being actively mined which have been depleted by prior mining operations.

(23) "Unminable property" means those seams of mineral resources which underlie surface property used for parks, residential, commercial or industrial purposes, and not being actively mined, or from which mining is prohibited by law. It shall additionally mean those seams of mineral resources which underlie surface tracts being devoted to agricultural or horticultural purposes, as defined in subsections (9) and (10) of this section, by the owner of the surface tracts if the mineral resources have not been severed from the surface estate by deed or conveyance and are not otherwise classifiable as "active reserves" or "inactive reserves", so long as the mineral resources are neither being mined nor prepared for extraction.

(24) "Commercially unminable property" means those seams of mineral resources for which the cost of mining or removing the mineral from the earth, by the most efficient method of extraction in common usage within the particular industry for such seam, is greater than the average selling price, on the open market, of such mineral resource after extraction.

Section 8. KRS 132.020 is amended to read as follows:

(1) An annual ad valorem tax for state purposes of thirty-one and one-half cents (31-1/2¢) upon each one hundred dollars (\$100) of value of all real property directed to be assessed for taxation, and one and one-half cents (1-1/2¢) upon each one hundred dollars (\$100) of value of all privately-owned leasehold interests in industrial buildings, as defined under KRS 103.200, owned and financed by a tax-exempt governmental unit, or tax-exempt statutory authority under the provisions of KRS Chapter 103 directed to be assessed for taxation, and one and one-half cents (1-1/2¢) upon each one hundred dollars (\$100) of value of all tobacco directed to be assessed for taxation, and twenty-five cents (25¢) upon each one hundred dollars (\$100) of value of all money in hand, shares of stock, notes, bonds, accounts and other credits, whether secured by mortgage, pledge or otherwise, or unsecured, except as otherwise provided in subsection (2) of this section, and one and one-half cents (1-1/2¢) upon each one hundred dollars (\$100) of value of unmanufactured agricultural products, one-tenth of one cent (\$.001) upon each one hundred dollars (\$100) of value of all farm implements and farm machinery owned by or leased to a person actually engaged in farming and used in his farm operations, one-tenth of one cent (\$.001) upon each one hundred dollars (\$100) of value of all livestock and domestic fowl, one-tenth of one cent (\$.001) upon each one hundred dollars (\$100) of value of all tangible personal property located in a foreign trade zone as designated under 19 U.S.C. sec. 81, fifteen cents (15¢) upon machinery of individuals or corporations actually engaged in manufacturing, fifteen cents (15¢) upon commercial radio, television and telephonic equipment directly used or associated with electronic equipment which broadcasts electronic signals to an antenna, fifteen cents (15¢) upon property which has been certified as a pollution control facility as defined in KRS 224.850, one-tenth of one cent (\$.001) upon property which has been certified as an alcohol production facility as defined in KRS 247.910, or as a fluidized bed energy production facility as defined in KRS 211.390, twenty-five cents (25¢) upon each one hundred dollars (\$100) of value of motor vehicles qualifying for permanent registration as historic motor vehicles under the provisions of KRS 186.043, and forty-five cents (45¢) upon each one hundred dollars (\$100) of value of all other property directed to be assessed for taxation shall be paid by the owner or person assessed except as provided in subsection (2) of this section and KRS 132.030, 132.050, 132.200, 136.270, 136.300, 136.320 and other sections providing a different tax rate for particular property.

(2) An annual ad valorem tax for state purposes of one and one-half cents (1-1/2¢) upon each one hundred dollars (\$100) of value shall be paid upon the following classes of intangible personal properties, when such intangible personal properties have not acquired a taxable situs without this state:

(a) Accounts receivable, notes, bonds, credits, nondomestic bank deposits, and any other intangible property rights arising out of or created in the course of regular and continuing business transactions substantially

performed outside this state:

(b) Patents, trademarks, copyrights and licensing or royalty agreements, relating thereto; and

(c) Shares of capital stock of any affiliated company as defined in subsection (3) of this section and notes, bonds, accounts receivable and all other intercompany intangible personal property due from such company.

(3) "Affiliated company" shall mean a parent corporation or subsidiary corporation, and any corporation principally engaged in business outside the United States in which the owner or the person assessed directly or indirectly owns or controls not less than ten percent (10%) of the outstanding voting stock.

(4) With respect to the intangible properties taxed pursuant to subsection (2) of this section, no other ad valorem tax shall be levied by the state or any county, city, school or other taxing district on such intangible properties, or directly or indirectly against the owner with respect thereto.

(5) ~~Unmined coal and any interest therein, in whatever form held, including, but not limited to, leasehold and royalty interests shall be taxed at the rate of one-tenth of one cent (\$.001) per one hundred dollars (\$100) of assessed value.~~

~~(6)~~ Thirty cents (30¢) of the thirty-one and one-half cents (31-1/2¢) state tax rate on real property and thirty cents (30¢) of the forty-five cents (45¢) state tax on tangible personalty subject to local taxation shall be considered as local school district tax levies for purposes of computing any direct payments of state or federal funds to said districts as replacement for ad valorem taxes lost on property acquired by a governmental agency. Should the equivalency ever be less than thirty cents (30¢), as certified by the department of education, the direct payments shall be reduced proportionately.

~~(6)(7)~~ The provisions of subsection (1) of this section notwithstanding, the state tax rate on real property shall be reduced to compensate for any increase in the aggregate assessed value of real property, *exclusive of the value of mineral resources added to the tax rolls for the year in which such value is added to the tax rolls*, to the extent that such increase exceeds the preceding year's assessment by more than four percent (4%). In any year in which the aggregate assessed value of real property is less than the preceding year, the state rate shall be increased to the extent necessary to produce the approximate amount of revenue that was produced in the preceding year from real property.

~~(7)(8)~~ By July 1 each year, the revenue cabinet shall compute the state tax rate applicable to real property for the current year in accordance with the provisions of KRS 132.020(6) and certify the rate to the county clerks for their use in preparing the tax bills. In the event the assessments for all counties have not been certified by July 1, the cabinet shall, when real property assessments of at least seventy-five percent (75%) of the total number of counties of the Commonwealth have been certified, make an estimate of the real property assessments of the uncertified counties and compute the state tax rate.

~~(8)(9)~~ In the event that the tax rate set by the cabinet as provided in subsection (7) ~~(8)~~ of this section produces more than a four percent (4%) increase in real property tax revenues, *exclusive of revenue from the value of mineral resources added to the tax rolls for the year in which such value is added to the tax rolls*, the rate shall be adjusted in the succeeding year so that the cumulative total of each year's property tax revenue increase, *exclusive of revenue from the value of mineral resources added to the tax rolls for the year in which such value is added to the tax rolls*, shall not exceed four percent (4%) per year.

~~(9)(10)~~ An ad valorem tax for state purposes on distilled spirits shall be levied according to the following rate schedule:

Calendar Year	Rate per \$100 of Assessed Value
1982	\$.225
1983	\$.1125
1984 and after	\$.001

~~(10)(11)~~ Effective on or after January 1, 1986, an ad valorem tax for state purposes of one-tenth of one cent (\$.001) upon each one hundred dollars (\$100) of value shall be paid upon goods held for sale in the regular course of business and raw materials and in-process materials held for incorporation in finished goods held for sale in the regular course of business.

~~(11)~~~~(12)~~ An ad valorem tax for state purposes of one tenth of one-cent (\$.001) per one hundred dollars (\$100) of assessed value shall be paid on all motor vehicles registered pursuant to the provisions of KRS 186.050(6).

Section 9. KRS 132.200 is amended to read as follows:

All property subject to taxation for state purposes shall also be subject to taxation in the county, city, school or other taxing district in which it has a taxable situs, except the classes of property described in KRS 132.030 and 132.050, and the following classes of property, which shall be subject to taxation for state purposes only:

(1) Farm implements and farm machinery owned by a person actually engaged in farming and used in his farm operation;

(2) Livestock and domestic fowl;

(3) Capital stock of savings and loan associations;

(4) Machinery and products in course of manufacture, of individuals or corporations actually engaged in manufacturing, and their raw material actually on hand at their plant for the purpose of manufacture. Individuals or corporations actually engaged in the printing, publication and distribution of a newspaper or operating a job printing plant shall be deemed to be actually engaged in manufacturing;

(5) Commercial radio, television and telephonic equipment directly used or associated with electronic equipment which broadcasts electronic signals to an antenna; however, radio or television towers not essential to the production of the wave or signal broadcast shall not be included;

(6) Unmanufactured agricultural products (except that the same shall be exempt from taxation for state purposes to the extent of the value, or amount, of any unpaid nonrecourse loans thereon granted by the United States government or any agency thereof), and except that cities and counties may each impose an ad valorem tax of not exceeding one and one-half cents (1-1/2¢) on each one hundred dollars (\$100) of the fair cash value of all unmanufactured tobacco and not exceeding four and one-half cents (4-1/2¢) on each one hundred dollars (\$100) of the fair cash value of all other unmanufactured agricultural products, subject to taxation within their limits that are not actually on hand at the plants of manufacturing concerns for the purpose of manufacture, nor in the hands of the producer or any agent of the producer to whom the products have been conveyed or assigned for the purpose of sale;

(7) Money in hand, notes, bonds, accounts and other credits, whether secured by mortgage, pledge or otherwise, or unsecured, and shares of stock, except that nothing in this section shall forbid local taxation of franchises of corporations or of the shares of banks, trust companies or combined banks and trust companies doing business in this state, or domestic life insurance companies;

(8) All privately-owned leasehold interest in industrial buildings, as defined under KRS 103.200, owned and financed by a tax-exempt governmental unit, or tax-exempt statutory authority under the provisions of KRS Chapter 103;

(9) Property which has been certified as a pollution control facility as defined in KRS 224.850;

(10) Property which has been certified as an alcohol production facility as defined in KRS 247.910;

(11) ~~[On and after January 1, 1977, unmined coal and any interest therein, in whatever form held, including, but not limited to, leasehold and royalty interests;~~

~~(12)~~ On and after January 1, 1989 ~~[1977]~~, the assessed value of *all interests in mineral resources, as defined in KRS 132.010, [unmined coal]* shall be included in the formula contained in KRS 132.590(7)~~(2)~~ in determining the amount of county appropriation to the office of the property valuation administrator;

~~(12)~~~~(13)~~ Tangible personal property located in a foreign trade zone as designated under 19 U.S.C. sec. 81;

~~(13)~~~~(14)~~ Motor vehicles qualifying for permanent registration as historic motor vehicles under the provisions of KRS 186.043. However, nothing herein shall be construed to exempt historical motor vehicles from the usage tax imposed by KRS 138.450 based on the vehicle's fair market value at the time of sale;

~~(14)~~~~(15)~~ Motor vehicles registered pursuant to the provisions of KRS 186.050(6); and

~~(15)(16)~~ Property which has been certified as a fluidized bed energy production facility as defined in KRS 211.390.

Section 10. KRS 132.230 is amended to read as follows:

(1) Every person listing his property with the property valuation administrator shall state:

(a) Each separate tract of land[;] *and any interest in mineral resources* with the number of acres in each tract; the value per acre; each of the improvements thereon; the name of the nearest resident thereto; where located, giving the election precinct in which it is located; the number of each city lot and the improvements thereon, in what city, on which street, the value of each, and the value of the improvements thereon to the extent that they enhance the value of each lot; whether there is any land adjoining his owned by a nonresident of the county or state, giving the name and place of residence of any such owner, if known;

(b) The number of livestock, their type, species and value;

(c) All other property including the number, denomination and fair cash value of all bonds subject to taxation owned by him with the value thereof on January 1 of the year for which the assessment is made, unless otherwise provided by law; and

(d) Such other facts as may be required in the blanks provided.

(2) An error or informality in the description or location of the property, or in the name of the owner or person assessed, shall not invalidate the assessment if the property can with reasonable certainty be located or identified from the description given, in which case the collector may receive the taxes and by his receipt correct the error or informality.

Section 11. KRS 132.330 is amended to read as follows:

The field agents, accountants and attorneys of the revenue cabinet shall cause to be listed for taxation all property omitted by the property valuation administrators, county board of assessment appeals, cabinet or any other assessing authority, for any year omitted. The agent, accountant or attorney proposing to have the property assessed shall file in the office of the county clerk of the county in which the property may be liable to assessment a statement containing a description and value of the property or corporate franchise proposed to be assessed, the name and place of residence of the owner, his agent or attorney, or person in possession of the property, if known, and the year the property was unassessed. The county clerk shall thereupon issue a summons against the owner, or person in possession of the property if the owner is unknown, to show cause within ten (10) days after the service of the summons, why the property or corporate franchise shall not be assessed at the value named in the statement filed. No decision shall be rendered against the alleged owner unless the statement filed contains a description of the property sought to be assessed that will enable the county judge/executive to identify it. The summons shall be executed by the sheriff by delivering a copy thereof to the owner, or if he is not in the county to his agent, attorney or person in possession of the property. If the property is real property, *including mineral resources*, and the owner is known but is absent from the state and has no attorney or agent in this state and no one is in possession of the property, the summons shall be served by posting it in a conspicuous place upon the *surface of the* property; if the property consists of tangible personal property the summons shall be placed in a conspicuous place where the property is located. In the case of tangible and intangible personal property, where the owner and his place of residence are unknown and no one (1) has possession of the property, an action for assessment shall be instituted by filing the petition above mentioned and procuring constructive service against the owner under the provisions of rules 4.05, 4.06, 4.07 and 4.08 of the Rules of Civil Procedure. In all of the above cases an attachment of the property omitted from assessment may be procured from the district court against the owner, at the time of the institution of the action or thereafter, and without the execution of a bond by the Commonwealth or its relator, by the representative of the revenue cabinet making an affidavit that the property described in the petition is subject to state, county, school or other taxing district tax, and is unassessed for any taxable year.

Section 12. KRS 133.010 is amended to read as follows:

As used in this chapter, unless the context requires otherwise:

(1) "Board" means the county board of assessment appeals.

(2) "Cabinet" means the revenue cabinet.

(3) "Taxpayer" means any person, *natural or legal*, made liable by law to file a return or pay a tax.

(4) "Real property" includes all lands *and mineral resources* within this state and improvements thereon.

(5) "Personal property" includes every species and character of property, tangible and intangible, other than real property.

Section 13. If any provision of this Act or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of this Act which can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

"SECTION 14. A NEW SECTION OF KRS CHAPTER 132 IS CREATED TO READ AS FOLLOWS:

Any taxpayer who pays taxes on mineral resources, except coal, levied pursuant to KRS 132.020(1) and who is liable for taxes on mineral resources levied pursuant to KRS Chapter 143A or KRS 137.120, shall be given a credit in the amount of eight-five percent (85%) of the taxes paid pursuant to KRS 132.020(1) against the taxes levied pursuant to KRS Chapter 143A and KRS 137.120. Any taxpayer who pays taxes on coal levied pursuant to KRS 132.020(1) and who is liable for taxes levied pursuant to KRS Chapter 143 shall be given a credit in the amount of eight-five percent (85%) of the taxes paid pursuant to KRS 132.020(1) on the value of "active mining property" against the taxes levied pursuant to KRS Chapter 143. To the extent that the taxpayer, by lease or other legal document has obligated another person, either natural or legal, to pay the tax imposed on mineral resources by KRS 132.020 (1) and the person so obligated also is obligated to and does pay a tax pursuant to KRS Chapters 143 and 143A and KRS 137.120, then, upon submission of proper proof to the cabinet of the legal obligation to pay and the payment to the taxpayer of all or a portion of the taxes imposed on mineral resources by KRS 132.020 (1) then only the person so obligated shall be given the credit against the taxes owed pursuant to KRS Chapters 143 and 143A and KRS 137.120, as provided for in this section.

SECTION 15. A NEW SECTION OF KRS CHAPTER 132 IS CREATED TO READ AS FOLLOWS:

The revenue cabinet may promulgate administrative regulations to effectuate the provisions of this Act."

"Section 16. A Mineral Resources Commission is hereby created for the purpose of establishing procedures and systems for assessing the value of mineral resources. The provisions of Sections 17 to 21 of this Act shall apply to the Mineral Resources Commission. The term "Commission" in these sections means the Mineral Resources Commission.

Section 17. The Legislative Research Commission shall appoint the members of the Commission. The members shall consist of the following:

- (1) The Secretary of the Revenue Cabinet or his designee;
- (2) The director of the Kentucky Geological survey;
- (3) Two (2) representatives of the coal industry;
- (4) Two (2) representatives of the oil and gas industry;
- (5) Two (2) representatives from other mineral resource industries including, but not limited to limestone;
- (6) Two (2) members of the House of Representatives;
- (7) Two (2) members of the Senate;
- (8) Six (6) citizen representatives; and
- (9) Two (2) representatives from the agriculture industry.

Section 18. (1) All members of the Commission shall receive their actual and necessary expenses for attending meetings of the Commission;

(2) Members of the General Assembly shall receive the same reimbursement for attending meetings of the Commission as they receive for interim committee meetings;

(3) Members of the Commission shall receive no salary for membership on the Commission.

Section 19. The Legislative Research Commission shall appoint a chairman of the Commission from among the legislative members thereof.

Section 20. Appointments to the Commission shall be made no later than August 1, 1988. The Commission shall make final recommendations to the General Assembly specifically relating to the classification, valuation and tax rates for mineral resources by October 1, 1989, at which time the Commission shall expire.

Section 21. The Legislative Research Commission shall provide staff services for the Commission. Staff services are estimated to cost \$15,000. These staff services shall be provided from the regular Legislative Research Commission budget and are subject to the limitations and other research responsibilities of the Legislative Research Commission.

Floor Amendment No. 3 to **SB 329**, by Representative P. Richardson:

Amend printed copy of GA copy of **SB 329** on page 9, by inserting after line 23, the following:

"SECTION 4. A NEW SECTION OF KRS CHAPTER 132 IS CREATED TO READ AS FOLLOWS:

(1) *On and after January 1, 1989, any person owning and engaged in the business of extracting or leasing mineral resources shall, as of January 1 each year, and by February 1, report to the revenue cabinet information relating to the value or production of mineral resources from its property. The revenue cabinet shall provide standard forms for reporting mineral production and other information that bears on the value of mineral properties. Producers shall complete and file annually the appropriate forms for each of their properties.*

(2) *On and after January 1, 1989, the revenue cabinet shall determine the fair cash value of all mineral resources using all applicable standard valuation methods and taking into account all factors that influence value. In determining fair cash value, the revenue cabinet shall consider the findings and conclusions of the Kentucky Geological Survey regarding geological information about the mineral resources, and the commercial value, or lack thereof, of those mineral resources. In determining the assessed value of mineral resources, if appropriate to the particular mineral being assessed, the revenue cabinet shall consider whether the mineral resources are "active mining property," "active reserves", inactive reserves", "barren property", "unmined property" or "commercially unminable property", as those terms are defined at KRS 132.010. In determining the assessed value of non-hydrocarbon mineral resources the revenue cabinet shall consider whether or not there is currently active mining or quarrying operation in the vicinity of the non-hydrocarbon mineral resources being assessed.*

(3) *When the valuation has been finally determined, the cabinet shall certify the valuation to the property valuation administrator who shall place the valuation upon the county assessment rolls and give notice to the property owner as provided in KRS 132.450.*

SECTION 5. A NEW SECTION OF KRS CHAPTER 132 IS CREATED TO READ AS FOLLOWS:

If any tract of mineral resources valued as barren or unminable property is prepared for extraction, that tract of mineral resources shall be subject to revaluation based on the current fair cash value of the tract; and the owner shall be liable for taxes based on the fair cash value for the two (2) years immediately preceding the year of revaluation but shall not be liable for deferred taxes for any year prior to the effective date of this Act. Active mining property which becomes barren upon extraction of mineral resources shall be valued at its lower value or January 1 following the year in which the mineral resources were extracted. "Prepared for extraction" as used in this section means property for which a permit application has been submitted to but for which a permit has not been issued by the natural resources and environmental protection cabinet pursuant to KRS Chapter 350.

SECTION 6. A NEW SECTION OF KRS CHAPTER 132 IS CREATED TO READ AS FOLLOWS:

Revenue produced pursuant to KRS 132.020(1) from the assessment and levy upon mineral resources shall be distributed as follows: for each of the fiscal years beginning July 1, 1988, and July 1, 1989, the lesser of the sum of one million dollars (\$1,000,000) or the total revenue produced from the assessment and levy upon mineral resources for the year shall be transferred to the "restricted fund group" established by KRS 45.322(1)(e) for use by the revenue cabinet for the purpose of assessing mineral resources. Any revenue produced in excess of this amount shall be transferred to the "operating fund group" established by KRS 45.322(1)(a) for the general operations of state government.

SECTION 7. A NEW SECTION OF KRS CHAPTER 132 IS CREATED TO READ AS FOLLOWS:

Beginning January 1, 1989, and each January 1 thereafter, the county clerk shall provide a list of all transfers of mineral resources for the prior year to the revenue cabinet by February 1 each year which shall include references to deed books and page numbers where the record of the transaction may be found.

Section 8. KRS 132.010 is amended to read as follows:

As used in this chapter, unless the context otherwise requires:

- (1) "Cabinet" means the revenue cabinet.
- (2) "Taxpayer" means any person, *natural or legal* made liable by law to file a return or pay a tax.
- (3) "Real property" includes all lands *and mineral resources* within this state and improvements thereon.
- (4) "Personal property" includes every species and character of property, tangible and intangible, other than real property.
- (5) "Resident" means any person who has taken up a place of abode within this state with the intention of continuing to abide in this state; any person who has had his actual or habitual place of abode in this state for the larger portion of the twelve (12) months next preceding the date as of which an assessment is due to be made shall be deemed to have intended to become a resident of this state.
- (6) "Compensating tax rate" means that rate which, rounded to the next higher one-tenth of one cent per one hundred dollars of assessed value and applied to the current year's assessment of the property subject to taxation by a taxing district, excluding new property and personal property, produces an amount of revenue approximately equal to that produced in the preceding year from real property. However, in no event shall the compensating tax rate be a rate which, when applied to the total current year assessment of all classes of taxable property, produces an amount of revenue less than was produced in the preceding year from all classes of taxable property. For purposes of this subsection, "property subject to taxation" means the total fair cash value of all property subject to full local rates, less the total valuation exempted from taxation by the homestead exemption provision of the Constitution and the difference between the fair cash value and agricultural or horticultural value of agricultural or horticultural land.
- (7) "Net assessment growth" means the difference between:
 - (a) The total valuation of property subject to taxation by the county, city, school district or special district in the preceding year, less the total valuation exempted from taxation by the homestead exemption provision of the Constitution in the current year over that exempted in the preceding year, and
 - (b) The total valuation of property subject to taxation by the county, city, school district or special district for the current year.
- (8) "New property" means the net difference in taxable value between real property additions and deletions to the property tax roll for the current year. "Real property additions" shall mean:
 - (a) Property annexed or incorporated by a municipal corporation, or any other taxing jurisdiction, however, this definition shall not apply to property acquired through the merger or consolidation of school districts, or the transfer of property from one school district to another;
 - (b) Property, the ownership of which has been transferred from a tax-exempt entity to a nontax-exempt entity;
 - (c) The value of improvements to existing nonresidential property;
 - (d) The value of new residential improvements to property;
 - (e) The value of improvements to existing residential property when the improvement increases the assessed value of the property by fifty percent (50%) or more;
 - (f) Property created by the subdivision of unimproved property, provided, that when such property is reclassified from farm to subdivision by the property valuation administrator the value of such property as a farm shall be a deletion from that category;
 - (g) Property exempt from taxation, as an inducement for industrial or business use, at the expiration of its tax exempt status;
 - (h) Property, the tax rate of which will change, according to the provisions of KRS 82.085, to reflect additional urban services to be provided by the taxing jurisdiction, provided, however, that such property shall be considered "real property additions" only in proportion to the additional urban services to be provided to the property over the urban services previously provided; ~~[and]~~

(i) The value of improvements to real property previously under assessment moratorium; and

(j) The value of mineral resources added to the tax rolls for the year in which such value is added to the tax rolls.

"Real property deletions" shall be limited to the value of real property removed from, or reduced over the preceding year on, the property tax roll for the current year.

(9) "Agricultural land" means any tract of land, including all income-producing improvements but excluding all residences, of at least ten (10) contiguous acres in area used for the production of livestock, livestock products, poultry, poultry products and/or the growing of tobacco and/or other crops including timber, or where devoted to and meeting the requirements and qualifications for payments pursuant to agriculture programs under an agreement with the state or federal government, where such activities produced an average annual gross income including payments under a state or federal program according to the following scale:

Acres	Annual Gross Income+	Income Per Acre
10 to 30	\$1,000+	\$60.00 per acre, or a fraction thereof, over 10 acres.
30 to 60	\$2,200+	\$40.00 per acre, or a fraction thereof, over 30 acres.
60 to 100	\$3,400+	\$25.00 per acre, or a fraction thereof, over 60 acres.
100 to 250	\$4,400+	\$10.00 per acre, or a fraction thereof, over 100 acres.
Over 250	\$5,900+	\$5.00 per acre, or a fraction thereof, over 250 acres.

The above annual gross income amounts must be achieved in three (3) out of the five (5) years preceding the tax year or there must be an annual gross income of these amounts within two (2) years of purchase. Land devoted exclusively to the growing of merchantable timber or nonincome-producing woodland is excluded from the gross income provisions.

(10) "Horticultural land" means any tract of land, including all income-producing improvements but excluding all residences, of at least five (5) contiguous acres in area commercially used for the cultivation of a garden, orchard, or the raising of fruits or nuts, vegetables, flowers or ornamental plants, where such activities produced an average annual gross income according to the following scale:

Acres	Annual Gross Income+	Income Per Acre
5 to 30	\$1,000 minimum, or	\$100.00 per acre, or a fraction thereof, over 5 acres, or whichever amount is greater.
30 to 60	\$3,000+	\$50.00 per acre, or a fraction thereof, over 30 acres.
60 to 100	\$4,500+	\$25.00 per acre, or a fraction thereof, over 60 acres.
100 to 250	\$5,500+	\$10.00 per acre, or a fraction thereof, over 100 acres.
Over 250	\$7,000+	\$5.00 per acre, or a fraction thereof, over 250 acres.

The above annual gross income amounts must be achieved in three (3) out of the five (5) years preceding the tax year or there is evidence of anticipated annual gross income of these amounts. Land devoted exclusively to the growing of merchantable timber or nonincome-producing woodland is excluded from the gross income provisions.

(11) "Agricultural or horticultural value" means the use value of "agricultural or horticultural land" based upon income-producing capability and comparable sales of farmland purchased for farm purposes where the price is indicative of farm use value, excluding sales representing purchases for farm expansion, better accessibility, and other factors which inflate the purchase price beyond farm use value, if any, considering the following factors as they affect a taxable unit:

- (a) Relative percentages of tillable land, pasture land, and woodland;
- (b) Degree of productivity of the soil;
- (c) Risk of flooding;
- (d) Improvements to and on the land that relate to the production of income;
- (e) Row crop capability including allotted crops;
- (f) Accessibility to all-weather roads and markets; and

(g) Factors which affect the general agricultural or horticultural economy, such as: interest, price of farm products, cost of farm materials and supplies, labor, or any economic factor which would affect net farm income.

(12) "Deferred tax" means the difference in the tax based on agricultural or horticultural value and the tax based on fair cash value.

(13) "Homestead" means real property maintained as the permanent residence of the owner with all land and improvements adjoining and contiguous thereto including, but not limited to, lawns, drives, flower or vegetable gardens, outbuildings and all other land connected thereto.

(14) "Residential unit" means all or that part of real property occupied as the permanent residence of the owner.

(15) "Special benefits" are those which are provided by public works not financed through the general tax levy but through special assessments against the benefited property.

(16) "Mobile home" means a structure, transportable in one (1) or more sections, which when erected on site measures eight (8) body feet or more in width and thirty-two (32) body feet or more in length, and which is built on a permanent chassis and designed to be used as a dwelling, with or without a permanent foundation, when connected to the required utilities, and includes the plumbing, heating, air-conditioning, and electrical systems contained therein. It may be used as a place of residence, business, profession, or trade by the owner, lessee or their assigns and may consist of one (1) or more units that can be attached or joined together to comprise an integral unit or condominium structure.

(17) "Recreational vehicle" means a vehicular type unit primarily designed as temporary living quarters for recreational, camping, or travel use, which either has its own motive power or is mounted on or drawn by another vehicle. The basic entities are: travel trailer, camping trailer, truck camper and motor home.

(a) Travel trailer: A vehicular unit, mounted on wheels, designed to provide temporary living quarters for recreational, camping, or travel use, and of such size or weight as not to require special highway movement permits when drawn by a motorized vehicle, and with a living area of less than two hundred twenty (220) square feet, excluding built-in equipment (such as wardrobes, closets, cabinets, kitchen units or fixtures) and bath and toilet rooms.

(b) Camping trailer: A vehicular portable unit mounted on wheels and constructed with collapsible partial side walls which fold for towing by another vehicle and unfold at the camp site to provide temporary living quarters for recreational, camping, or travel use.

(c) Truck camper: A portable unit constructed to provide temporary living quarters for recreational, travel, or camping use, consisting of a roof, floor, and sides, designed to be loaded onto and unloaded from the bed of a pick-up truck.

(d) Motor home: A vehicular unit designed to provide temporary living quarters for recreational, camping or travel use built on or permanently attached to a self-propelled motor vehicle chassis or on a chassis cab or van which is an integral part of the completed vehicle.

(18) "Mineral resources" mean all forms of minerals which have not yet been mined or removed from the earth for which there exists a method of extraction in common usage in the particular industry and a commercial use for which the mined mineral could be devoted under available technologies.

(19) "Active mining property" means mineral resources on a parcel or tract of land actively being mined, or for which a permit to mine has been obtained from the Kentucky natural resources and environmental protection cabinet, pursuant to KRS Chapter 350. The existence of a permit issued by the Kentucky Natural Resources and Environmental Protection Cabinet pursuant to KRS Chapter 224 shall not be conclusive proof that the entire area so permitted is "active mining property". Each permittee permitted under KRS Chapter 224 shall submit to the Revenue Cabinet a map of the area it intends to mine within the next two (2) years, considering the most recent year's rate of production on active mining property.

(20) "Active reserves" means those mineral resources in excess of active mining property, under common ownership, lease or control with active mining property, containing a seam which is the same as or substantially similar to that being mined in the active mining property, and which consists of acreage containing mineral resources which could be economically mined within five (5) years using the most recent year's rate of production on active mining property.

(21) "Inactive reserves" means those seams of mineral resources which are not classifiable as either "active mining property", "active reserves" or "barren" property "unminable property" or "commercially unminable property".

(22) "Barren property" means those seams of mineral resources not being actively mined which have been depleted by prior mining operations.

(23) Unminable property means those seams of mineral resources which underlie surface property used for parks, residential, commercial or industrial purposes, and not being actively mined, or from which mining is prohibited by law. It shall additionally mean those seams of mineral resources which underlie surface tracts being devoted to agricultural or horticultural purposes, as defined in subsections (9) and (10) of this section, by the owner of the surface tracts if the mineral resources have not been severed from the surface estate by deed or conveyance and are not otherwise classifiable as "active reserves" or "inactive reserves", so long as the mineral resources are neither being mined nor prepared for extraction.

(24) "Commercially unminable property" means those seams of mineral resources which are not economically feasible to mine by any method of extraction in common usage within the particular industry considering the price that the owner of the mineral resource could reasonably expect to receive from the extraction of the mineral resources.

Section 9. KRS 132.020 is amended to read as follows:

(1) An annual ad valorem tax for state purposes of thirty-one and one-half cents (31-1/2¢) upon each one hundred dollars (\$100) of value of all real property directed to be assessed for taxation, and one and one-half cents (1-1/2¢) upon each one hundred dollars (\$100) of value of all privately-owned leasehold interests in industrial buildings, as defined under KRS 103.200, owned and financed by a tax-exempt governmental unit, or tax-exempt statutory authority under the provisions of KRS Chapter 103 directed to be assessed for taxation, and one and one-half cents (1-1/2¢) upon each one hundred dollars (\$100) of value of all tobacco directed to be assessed for taxation, and twenty-five cents (25¢) upon each one hundred dollars (\$100) of value of all money in hand, shares of stock, notes, bonds, accounts and other credits, whether secured by mortgage, pledge or otherwise, or unsecured, except as otherwise provided in subsection (2) of this section, and one and one-half cents (1-1/2¢) upon each one hundred dollars (\$100) of value of unmanufactured agricultural products, one-tenth of one cent (\$.001) upon each one hundred dollars (\$100) of value of all farm implements and farm machinery owned by or leased to a person actually engaged in farming and used in his farm operations, one-tenth of one cent (\$.001) upon each one hundred dollars (\$100) of value of all livestock and domestic fowl, one-tenth of one cent (\$.001) upon each one hundred dollars (\$100) of value of all tangible personal property located in a foreign trade zone as designated under 19 U.S.C. sec. 81, fifteen cents (15¢) upon machinery of individuals or corporations actually engaged in manufacturing, fifteen cents (15¢) upon commercial radio, television and telephonic equipment directly used or associated with electronic equipment which broadcasts electronic signals to an antenna, fifteen cents (15¢) upon property which has been certified as a pollution control facility as defined in KRS 224.850, one-tenth of one cent (\$.001) upon property which has been certified as an alcohol production facility as defined in KRS 247.910, or as a fluidized bed energy production facility as defined in KRS 211.390, twenty-five cents (25¢) upon each one hundred dollars (\$100) of value of motor vehicles qualifying for permanent registration as historic motor vehicles under the provisions of KRS 186.043, and forty-five cents (45¢) upon each one hundred dollars (\$100) of value of all other property directed to be assessed for taxation shall be paid by the owner or person assessed except as provided in subsection (2) of this section and KRS 132.030, 132.050, 132.200, 136.270, 136.300, 136.320 and other sections providing

a different tax rate for particular property.

(2) An annual ad valorem tax for state purposes of one and one-half cents (1-1/2¢) upon each one hundred dollars (\$100) of value shall be paid upon the following classes of intangible personal properties, when such intangible personal properties have not acquired a taxable situs without this state:

(a) Accounts receivable, notes, bonds, credits, nondomestic bank deposits, and any other intangible property rights arising out of or created in the course of regular and continuing business transactions substantially performed outside this state;

(b) Patents, trademarks, copyrights and licensing or royalty agreements, relating thereto; and

(c) Shares of capital stock of any affiliated company as defined in subsection (3) of this section and notes, bonds, accounts receivable and all other intercompany intangible personal property due from such company.

(3) "Affiliated company" shall mean a parent corporation or subsidiary corporation, and any corporation principally engaged in business outside the United States in which the owner or the person assessed directly or indirectly owns or controls not less than ten percent (10%) of the outstanding voting stock.

(4) With respect to the intangible properties taxed pursuant to subsection (2) of this section, no other ad valorem tax shall be levied by the state or any county, city, school or other taxing district on such intangible properties, or directly or indirectly against the owner with respect thereto.

(5) ~~Unmined coal and any interest therein, in whatever form held, including, but not limited to, leasehold and royalty interests shall be taxed at the rate of one-tenth of one cent (\$.001) per one hundred dollars (\$100) of assessed value.~~

(6) Thirty cents (30¢) of the thirty-one and one-half cents (31-1/2¢) state tax rate on real property and thirty cents (30¢) of the forty-five cents (45¢) state tax on tangible personalty subject to local taxation shall be considered as local school district tax levies for purposes of computing any direct payments of state or federal funds to said districts as replacement for ad valorem taxes lost on property acquired by a governmental agency. Should the equivalency ever be less than thirty cents (30¢), as certified by the department of education, the direct payments shall be reduced proportionately.

(6)(7) The provisions of subsection (1) of this section notwithstanding, the state tax rate on real property shall be reduced to compensate for any increase in the aggregate assessed value of real property, *exclusive of the value of mineral resources added to the tax rolls for the year in which such value is added to the tax rolls* to the extent that such increase exceeds the preceding year's assessment by more than four percent (4%). In any year in which the aggregate assessed value of real property is less than the preceding year, the state rate shall be increased to the extent necessary to produce the approximate amount of revenue that was produced in the preceding year from real property.

(7)(8) By July 1 each year, the revenue cabinet shall compute the state tax rate applicable to real property for the current year in accordance with the provisions of KRS 132.020(6) and certify the rate to the county clerks for their use in preparing the tax bills. In the event the assessments for all counties have not been certified by July 1, the cabinet shall, when real property assessments of at least seventy-five percent (75%) of the total number of counties of the Commonwealth have been certified, make an estimate of the real property assessments of the uncertified counties and compute the state tax rate.

(8)(9) In the event that the tax rate set by the cabinet as provided in subsection (7) (8) of this section produces more than a four percent (4%) increase in real property tax revenues, *exclusive of revenue from the value of mineral resources added to the tax rolls for the year in which such value is added to the tax rolls*, the rate shall be adjusted in the succeeding year so that the cumulative total of each year's property tax revenue increase, *exclusive of revenue from the value of mineral resources added to the tax rolls* shall not exceed four percent (4%) per year.

(9)(10) An ad valorem tax for state purposes on distilled spirits shall be levied according to the following rate schedule:

Calendar Year	Rate per \$100 of Assessed Value
1982	\$.225
1983	\$.1125

1984 and after \$.001

~~(10)(11)~~ Effective on or after January 1, 1986, an ad valorem tax for state purposes of one-tenth of one cent (\$.001) upon each one hundred dollars (\$100) of value shall be paid upon goods held for sale in the regular course of business and raw materials and in-process materials held for incorporation in finished goods held for sale in the regular course of business.

~~(11)(12)~~ An ad valorem tax for state purposes of one tenth of one-cent (\$.001) per one hundred dollars (\$100) of assessed value shall be paid on all motor vehicles registered pursuant to the provisions of KRS 186.050(6).

Section 10. KRS 132.200 is amended to read as follows:

All property subject to taxation for state purposes shall also be subject to taxation in the county, city, school or other taxing district in which it has a taxable situs, except the classes of property described in KRS 132.030 and 132.050, and the following classes of property, which shall be subject to taxation for state purposes only:

(1) Farm implements and farm machinery owned by a person actually engaged in farming and used in his farm operation;

(2) Livestock and domestic fowl;

(3) Capital stock of savings and loan associations;

(4) Machinery and products in course of manufacture, of individuals or corporations actually engaged in manufacturing, and their raw material actually on hand at their plant for the purpose of manufacture. Individuals or corporations actually engaged in the printing, publication and distribution of a newspaper or operating a job printing plant shall be deemed to be actually engaged in manufacturing;

(5) Commercial radio, television and telephonic equipment directly used or associated with electronic equipment which broadcasts electronic signals to an antenna; however, radio or television towers not essential to the production of the wave or signal broadcast shall not be included;

(6) Unmanufactured agricultural products (except that the same shall be exempt from taxation for state purposes to the extent of the value, or amount, of any unpaid nonrecourse loans thereon granted by the United States government or any agency thereof), and except that cities and counties may each impose an ad valorem tax of not exceeding one and one-half cents (1-1/2¢) on each one hundred dollars (\$100) of the fair cash value of all unmanufactured tobacco and not exceeding four and one-half cents (4-1/2¢) on each one hundred dollars (\$100) of the fair cash value of all other unmanufactured agricultural products, subject to taxation within their limits that are not actually on hand at the plants of manufacturing concerns for the purpose of manufacture, nor in the hands of the producer or any agent of the producer to whom the products have been conveyed or assigned for the purpose of sale;

(7) Money in hand, notes, bonds, accounts and other credits, whether secured by mortgage, pledge or otherwise, or unsecured, and shares of stock, except that nothing in this section shall forbid local taxation of franchises of corporations or of the shares of banks, trust companies or combined banks and trust companies doing business in this state, or domestic life insurance companies;

(8) All privately-owned leasehold interest in industrial buildings, as defined under KRS 103.200, owned and financed by a tax-exempt governmental unit, or tax-exempt statutory authority under the provisions of KRS Chapter 103;

(9) Property which has been certified as a pollution control facility as defined in KRS 224.850;

(10) Property which has been certified as an alcohol production facility as defined in KRS 247.910;

(11) *Mineral resources on and after January 1, 1989, except that the same shall be exempt from state ad valorem taxes when they have been mined and removed from the earth, and except that all taxing entities within the county where the mineral resource is located may cumulatively impose an ad valorem tax of not exceeding ten cents (\$.10) on each one hundred dollars (\$100) of fair cash value of mineral resources subject to taxation within their limits. The total tax collected pursuant to this section shall be divided among all taxing authorities within the counties, prorata, in the same proportion that each taxing authority's total ad valorem tax receipts bear to the total ad valorem tax receipts within the county. [On and after January 1, 1977, unmined coal and any interest therein, in whatever form held, including, but not limited to, leasehold and royalty*

interests;

(12) On and after January 1, 1989 ~~[1977]~~, the assessed value of *all interests in mineral resources, as defined in KRS 132.010, [unmined coal]* shall be included in the formula contained in KRS 132.590(2) ~~(2)~~ in determining the amount of county appropriation to the office of the property valuation administrator;

~~(13)(13)~~ Tangible personal property located in a foreign trade zone as designated under 19 U.S.C. sec. 81;

~~(14)(14)~~ Motor vehicles qualifying for permanent registration as historic motor vehicles under the provisions of KRS 186.043. However, nothing herein shall be construed to exempt historical motor vehicles from the usage tax imposed by KRS 138.450 based on the vehicle's fair market value at the time of sale;

~~(15)(15)~~ Motor vehicles registered pursuant to the provisions of KRS 186.050(6); and

~~(16)(16)~~ Property which has been certified as a fluidized bed energy production facility as defined in KRS 211.390.

Section 11. KRS 132.230 is amended to read as follows:

(1) Every person listing his property with the property valuation administrator shall state:

(a) Each separate tract of land ~~and any interest in mineral resources~~ with the number of acres in each tract; the value per acre; each of the improvements thereon; the name of the nearest resident thereto; where located, giving the election precinct in which it is located; the number of each city lot and the improvements thereon, in what city, on which street, the value of each, and the value of the improvements thereon to the extent that they enhance the value of each lot; whether there is any land adjoining his owned by a nonresident of the county or state, giving the name and place of residence of any such owner, if known;

(b) The number of livestock, their type, species and value;

(c) All other property including the number, denomination and fair cash value of all bonds subject to taxation owned by him with the value thereof on January 1 of the year for which the assessment is made, unless otherwise provided by law; and

(d) Such other facts as may be required in the blanks provided.

(2) An error or informality in the description or location of the property, or in the name of the owner or person assessed, shall not invalidate the assessment if the property can with reasonable certainty be located or identified from the description given, in which case the collector may receive the taxes and by his receipt correct the error or informality.

Section 12. KRS 132.330 is amended to read as follows:

The field agents, accountants and attorneys of the revenue cabinet shall cause to be listed for taxation all property omitted by the property valuation administrators, county board of assessment appeals, cabinet or any other assessing authority, for any year omitted. The agent, accountant or attorney proposing to have the property assessed shall file in the office of the county clerk of the county in which the property may be liable to assessment a statement containing a description and value of the property or corporate franchise proposed to be assessed, the name and place of residence of the owner, his agent or attorney, or person in possession of the property, if known, and the year the property was unassessed. The county clerk shall thereupon issue a summons against the owner, or person in possession of the property if the owner is unknown, to show cause within ten (10) days after the service of the summons, why the property or corporate franchise shall not be assessed at the value named in the statement filed. No decision shall be rendered against the alleged owner unless the statement filed contains a description of the property sought to be assessed that will enable the county judge/executive to identify it. The summons shall be executed by the sheriff by delivering a copy thereof to the owner, or if he is not in the county to his agent, attorney or person in possession of the property. If the property is real property, *including mineral resources*, and the owner is known but is absent from the state and has no attorney or agent in this state and no one is in possession of the property, the summons shall be served by posting it in a conspicuous place upon the *surface of the* property; if the property consists of tangible personal property the summons shall be placed in a conspicuous place where the property is located. In the case of tangible and intangible personal property, where the owner and his place of residence are unknown and no one (1) has possession of the property, an action for assessment shall be instituted by filing the petition above mentioned and procuring constructive service against the owner under the provisions of rules 4.05, 4.06, 4.07 and 4.08 of the Rules of Civil Procedure. In all of the above cases an attachment of

the property omitted from assessment may be procured from the district court against the owner, at the time of the institution of the action or thereafter, and without the execution of a bond by the Commonwealth or its relator, by the representative of the revenue cabinet making an affidavit that the property described in the petition is subject to state, county, school or other taxing district tax, and is unassessed for any taxable year.

Section 13. KRS 133.010 is amended to read as follows:

As used in this chapter, unless the context requires otherwise:

- (1) "Board" means the county board of assessment appeals.
- (2) "Cabinet" means the revenue cabinet.
- (3) "Taxpayer" means any person, *legal or natural* made liable by law to file a return or pay a tax.
- (4) "Real property" includes all lands, *and mineral resources, oil, natural gas, and natural gas liquids* within this state and improvements thereon.
- (5) "Personal property" includes every species and character of property, tangible and intangible, other than real property.

Section 14. If any provision of this Act or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of this Act which can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

SECTION 15. A NEW SECTION OF KRS CHAPTER 132 IS CREATED TO READ AS FOLLOWS:

Any taxpayer who pays taxes on mineral resources levied pursuant to KRS 132.020 (1) shall be given a credit in the amount of eighty-five percent (85%) of taxes so paid against taxes levied pursuant to KRS Chapter 143 and 143A and KRS 137.120. To the extent that the taxpayer, by lease or other legal document has obligated another person, either natural or legal, to pay the tax imposed on mineral resources by KRS 132.020 (1) and the person so obligated also is obligated to and does pay a tax pursuant to KRS Chapters 143 and 143A and KRS 137.120, then, upon submission of proper proof to the cabinet of the legal obligation to pay and the payment to the taxpayer of all or a portion of the taxes imposed on mineral resources by KRS 132.020 (1) then only the person so obligated shall be given the credit in the amount of eighty-five percent (85%) of the taxes so paid against the taxes owed pursuant to KRS Chapters 143 and 143A and KRS 137.120, as set forth in this section.

SECTION 16. A NEW SECTION OF KRS CHAPTER 132 IS CREATED TO READ AS FOLLOWS:

The revenue cabinet may promulgate administrative regulations to effectuate the provisions of this Act."

Floor Title Amendment to **SB 329**, by Representative Little:

Amend printed copy of GA Copy of **SB 329** by amending the title to read, "AN ACT relating to revenue and taxation."

Floor Amendment No. 2 to **SB 331**, by Representative Hancock:

Amend printed copy of GA Copy of **SB 331** on page 19, following line 22, insert the following:

"Section 4. KRS 56.872 is amended to read as follows:

(1) KRS 56.870 shall not apply to any refinancing transaction by any agency, authority, board, corporation, cabinet, commission or other agency or instrumentality of the Commonwealth, if such refinancing transaction results in a net debt service savings to such agency, authority, board, corporation, cabinet, commission or other agency or instrumentality of the Commonwealth.

(2) The secretary of the finance and administration cabinet shall report to the general assembly in the branch budget recommendation, defined in KRS 48.010, on the net debt service savings, any funds released from a debt service reserve fund, *any non-expended lease rental funds*, or any other funds generated as a result of any refinancing *or early retirement*, or other mechanism approved by any agency, authority, board, corporation, cabinet, commission or other agency or instrumentality of the Commonwealth after July 15, 1986. No portion of any net debt service *or lease rental* savings realized subsequent to a refinancing or open market bond purchase and available during the biennium in which the savings are realized, any debt service reserve

fund released, any lease rental funds appropriated to an agency for payments to a public authority for the use of property, buildings, or roads which have remaining debt obligations, or other funds generated shall be expended for any of the purposes for which such agency, authority, board, corporation, cabinet, commission, or agency or instrumentality of the Commonwealth may be authorized by law to perform. Any funds which would be governed by the 1986 or subsequent federal tax laws regarding use of tax-exempt bond proceeds shall be exempt from this restriction. Such monies may be applied to replace bonds authorized to be issued or placed in the capital construction equipment purchase contingency fund, the general fund surplus expenditure account, or the road fund surplus expenditure account. Subsequent debt service savings from the replaced authorization shall accrue to the special escrow accounts defined herein. The general assembly shall on a biennial basis appropriate the net debt service savings as described, any debt service reserve fund, lease rental funds or other funds generated, reported by the finance and administration cabinet, to a special escrow account for each bond issue within the finance and administration cabinet. The proceeds within this account shall be used to accelerate the payment of outstanding principal and interest, either through open market bond purchases or investments at maximum yield, in addition to the amounts budgeted for such purposes over the biennium, on definitive bonds, temporary bonds or interim financing secured by bond anticipation notes, loan agreements or other means issued by an agency, authority, board, corporation, cabinet, commission or other agency or instrumentality of the Commonwealth. The finance and administration cabinet shall report to the general assembly on a biennial basis the amount of total funds utilized in the escrow account to retire the outstanding principal and interest and the amount of principal and interest so retired, or to be retired, for each agency, authority, board, corporation, cabinet, commission or other agency or instrumentality of the Commonwealth. In the event that the funds appropriated to the escrow account cannot be used in the biennium for the purposes prescribed by this subsection, the finance and administration cabinet shall so report and provide the reasons therefor. The funds appropriated shall not lapse at the end of the biennium but be carried forward to the next biennium to be utilized for the purposes prescribed by this subsection.

(3) In the event the cost of an authorized bond project exceeds its estimated cost, as approved by the general assembly, the financing of such project may be authorized upon approval by the secretary of the finance and administration cabinet, so long as such cost does not exceed the estimated cost by more than twenty-five percent (25%). In the case of financing of any bond project approved by the general assembly, the costs of issuance of bonds or notes shall be added to project costs in determining the principal amount of authorized financing of any such project.

Floor Title Amendment No. 2 to **SB 331**, by Representative Hancock:

Amend printed copy of GA Copy of **SB 331** by amending the title to read as follows:

"An Act relating to financial matters."

Floor Amendment No. 4 to **SB 336**, by Representative Hancock:

Amend printed copy of **SB 336** on page 5, line 5, by adding thereafter the following: "(11)(a) Any city, county or urban county which first levies a license fee or tax pursuant to this section on or after July 15, 1988 shall allocate from the fee or tax an amount of at least one dollar (\$1.00) on each one hundred dollars (\$100) of the premiums collected, as described in subsection (3) of this section, to purposes of public safety, including but not limited to law enforcement, fire protection, ambulance, rescue or emergency life support services. A city, county or urban county shall pay from the one dollar (\$1.00) on each one hundred dollars (\$100) of premium collected an annual salary supplement of two thousand five hundred dollars (\$2,500) in equal monthly installments to any of its law enforcement officers, including sheriffs and their deputies, and to any of its firefighters who complete the appropriate training. No supplemental payment shall be made to police or firefighters who participate in the Kentucky law enforcement foundation program fund or the professional firefighters foundation program fund, respectively.

(b) Appropriate training for law enforcement officers shall include successful completion of a basic training course of at least four hundred (400) hours duration conducted, pursuant to KRS 15.310 to 15.370, by the department of training of the justice cabinet, and in each calendar year an inservice training course of at least forty (40) hours duration at a school certified or recognized by the Kentucky law enforcement council.

(c) Appropriate training for firefighters shall include successful completion of a basic training course of at least four hundred (400) hours duration conducted, pursuant to KRS 95A.040, by the commission on fire protection personnel standards and education, and in each calendar year an inservice training program of at least one hundred (100) hours duration at a school certified or recognized by the commission.

(d) These salary supplements shall be in addition to, and not a part of the normal salary schedule of law enforcement personnel and firefighters, and shall not be a substitute for normal salary increases periodically due law enforcement personnel or firefighters. Sheriffs shall not receive a salary supplement pursuant to this

section in any year that they receive the maximum compensation permitted by the Kentucky constitution. A city, county or urban county may use insurance premium taxes to supplement the salaries of other public safety personnel.”; and

on page 7, line 16, by adding thereafter:

“Section 3. KRS 136.392 is amended to read as follows:

(1) Every domestic, foreign or alien insurer, other than life and health insurers, which is either subject to or exempted from Kentucky premium taxes as levied pursuant to the provisions of either KRS 136.340, 136.350, 136.370 or 136.390, shall charge and collect a surcharge of one dollar and fifty cents (\$1.50) upon each one hundred dollars (\$100) of premium, assessments, or other charges, except for those municipal premium taxes, made by it for insurance coverage provided to its policyholders, on risk located in this state, whether such charges are designated as premiums, assessments or otherwise. *In those local government jurisdictions which do not participate in the Kentucky law enforcement foundation program fund or the professional firefighters foundation program fund and which first imposed and collect license fees or taxes on insurance companies pursuant to KRS 91A.080 on or after July 15, 1988, the insurance premium surcharge shall be reduced by one dollar (\$1.00).* The premium surcharge shall be collected by the insurer from its policyholders at the same time and in the same manner that its premium or other charge for the insurance coverage is collected. The premium surcharge shall be disclosed to policyholders pursuant to regulations which shall be promulgated by the commissioner of insurance. However, no insurer or its agent shall be entitled to any portion of any premium surcharge as a fee or commission for its collection. On or before the twentieth (20th) day of each month, each insurer shall report and remit to the revenue cabinet, on such forms as it may require, all premium surcharge moneys collected by it during its preceding monthly accounting period less any such moneys returned to policyholders as applicable to the unearned portion of the premium on policies terminated by either the insured or the insurer. The funds derived from such premium surcharge, except as provided in subsection (2) of this section, shall be deposited in the state treasury, and shall constitute a fund allocated for the uses and purposes of the professional fire fighters foundation program fund (KRS 95A.220) and the law enforcement foundation program fund (KRS 15.430).

(2) Insurance premium surcharge funds collected from the policyholders of any domestic mutual company, cooperative or assessment fire insurance company shall be deposited in the state treasury, and shall be paid monthly by the state treasurer into the volunteer fire department aid fund as provided in KRS 17.250; provided however, that insurance premium surcharge funds collected from the policyholders of any mutual company, cooperative or assessment fire insurance company which transfers its corporate domicile to this state from another state after July 15, 1986, shall continue to be paid into the professional fire fighters foundation program fund and the law enforcement foundation program fund as prescribed herein.

(3) Within five (5) days after the end of each month, all insurance premium surcharge proceeds deposited in the state treasury as set forth in subsection (1) of this section shall be paid by the state treasurer into the professional fire fighters foundation program fund trust and agency account and the law enforcement foundation program fund trust and agency account. The amount paid into each account shall be proportionate to each fund's respective share of the total deposits, pursuant to KRS 42.190. Moneys deposited to the law enforcement foundation program fund trust and agency account shall not be disbursed, expended, encumbered or transferred by any state official for uses and purposes other than those prescribed by KRS 15.410 to 15.500. Money deposited to the professional fire fighters foundation program fund trust and agency account shall not be disbursed, expended, encumbered or transferred by any state official for uses and purposes other than those prescribed by KRS 95A.200 to 95A.300.”.

Floor Amendment No. 5 to **SB 336**, by Representative Hancock:

Amend printed copy of GA Copy of **SB 336** on page 7, after line 16, by inserting the following:

“Section 3. KRS 136.392 is amended to read as follows:

(1) Every domestic, foreign or alien insurer, other than life and health insurers, which is either subject to or exempted from Kentucky premium taxes as levied pursuant to the provisions of either KRS 136.340, 136.350, 136.370 or 136.390, shall charge and collect a surcharge of one dollar and ~~ten~~ *fifty* cents (~~\$1.10~~) ~~[\$1.50]~~ upon each one hundred dollars (\$100) of premium, assessments, or other charges, except for those municipal premium taxes, made by it for insurance coverage provided to its policyholders, on risk located in this state, whether such charges are designated as premiums, assessments or otherwise. The premium surcharge shall be collected by the insurer from its policyholders at the same time and in the same manner that its premium or other charge for the insurance coverage is collected. The premium surcharge shall be disclosed to policyholders pursuant to regulations which shall be promulgated by the commissioner of insurance. However, no insurer or its agent shall be entitled to any portion of any premium surcharge as a fee or commission

for its collection. On or before the twentieth (20th) day of each month, each insurer shall report and remit to the revenue cabinet, on such forms as it may require, all premium surcharge moneys collected by it during its preceding monthly accounting period less any such moneys returned to policyholders as applicable to the unearned portion of the premium on policies terminated by either the insured or the insurer. The funds derived from such premium surcharge, except as provided in subsection (2) of this section, shall be deposited in the state treasury, and shall constitute a fund allocated for the uses and purposes of the professional fire fighters foundation program fund (KRS 95A.220) and the law enforcement foundation program fund (KRS 15.430). *The funds derived from such premium surcharge shall, in addition to its other uses, be used to fund the department of criminal justice training as provided in KRS 15.450.*

(2) Insurance premium surcharge funds collected from the policyholders of any domestic mutual company, cooperative or assessment fire insurance company shall be deposited in the state treasury, and shall be paid monthly by the state treasurer into the volunteer fire department aid fund as provided in KRS 17.250; provided however, that insurance premium surcharge funds collected from the policyholders of any mutual company, cooperative or assessment fire insurance company which transfers its corporate domicile to this state from another state after July 15, 1986, shall continue to be paid into the professional fire fighters foundation program fund and the law enforcement foundation program fund as prescribed herein.

(3) Within five (5) days after the end of each month, all insurance premium surcharge proceeds deposited in the state treasury as set forth in subsection (1) of this section shall be paid by the state treasurer into the professional fire fighters foundation program fund trust and agency account and the law enforcement foundation program fund trust and agency account. The amount paid into each account shall be proportionate to each fund's respective share of the total deposits, pursuant to KRS 42.190. Moneys deposited to the law enforcement foundation program fund trust and agency account shall not be disbursed, expended, encumbered or transferred by any state official for uses and purposes other than those prescribed by KRS 15.410 to 15.500. Money deposited to the professional fire fighters foundation program fund trust and agency account shall not be disbursed, expended, encumbered or transferred by any state official for uses and purposes other than those prescribed by KRS 95A.200 to 95A.300.

Section 4, KRS 15.450 is amended to read as follows:

(1) The secretary or his designated representative shall administer the law enforcement foundation program fund pursuant to the provisions of KRS 15.410 to 15.510 and may issue such reasonable rules and regulations as, in his judgment, are necessary to carry out his responsibilities under KRS 15.410 to 15.510.

(2) The secretary or his designated representative shall determine which local units of government are eligible to share in the law enforcement foundation program fund and may withhold or terminate payments to any local unit that does not comply with the requirements of KRS 15.410 to 15.510 or the rules and regulations issued by the justice cabinet under KRS 15.410 to 15.510.

(3) The justice cabinet shall, from monies appropriated and accruing to the fund as provided under KRS 15.430, receive reimbursement for the salaries and other costs of administering the fund, including, but not limited to, council operations and expenses. The amount to be reimbursed for any given year shall be determined by the council and shall not exceed five percent (5%) of the total amount of funds for that year.

(4) *The expenditures of the department of criminal justice training shall be paid from moneys appropriated and accruing to the fund as provided under KRS 15.430.*

(5) The justice cabinet shall furnish periodically to the council such reports as may be deemed reasonably necessary."

Floor Amendment No. 5 to **SB 353**, by Representative Meyer:

Amend printed copy of **SB 353** on page 3, line 1, after the word "drugs" by adding the following: "*unless the premises belong to a company which owns or operates fewer than three (3) drug stores*".

Floor Amendment No. 6 to **SB 353**, by Representative McBee:

Amend printed copy of **SB 353** on page 2, line 23, after the word "the" by inserting the word "first," and after the word "second" by deleting the word "or" and inserting in lieu thereof a comma "," and after the word "third" by inserting the words "or fourth";

On page 2, line 24, after the word "class" by deleting the words "which do not contain cities of the first class"; and

On page 3, line 2, after the word "*the*" by inserting the words "*first,*" and after the word "*second*" by deleting the word "*or*" and inserting in lieu thereof a comma "." and after the word "*third*" by inserting the words "*or fourth*".

Floor Amendment No. 7 to **SB 353**, by Representative McBee:

Amend printed copy of **SB 353** on page 2, line 23, after the number "(6)", by deleting the words "*In counties containing a city of the second or*" and by deleting line 24 in its entirety;

On page 2, line 25, by deleting the word "*class, no*"; and by inserting in lieu thereof the word "*No*";

On page 3, line 1, after the word "*county*" by deleting the words "*containing a city of*" and on line 2 by deleting the words "*the second or third class*".

Floor Amendment No. 1 to **SB 376**, by Representative Johnson:

Amend printed copy of GA copy of **SB 376** on page 1, after line 11, insert the following:

"Section 2. KRS 382.480 is amended to read as follows:

(1) Notices of tax liens payable to the United States and certificates discharging such liens shall be filed by the collector of internal revenue, in duplicate, in the office of the county clerk of each county within which the property subject to the lien is located.

(2) When a notice of a federal tax lien is filed, the county clerk shall forthwith enter the same in an alphabetical federal tax lien index, showing on one line the name and residence of the taxpayer named in the notice, the collector's serial number of such notice, the date and hour of filing, and the amount of tax and penalties. He shall endorse on both the original and duplicate copies of the notice the date and hour of filing and shall mail the duplicate to the collector of internal revenue from whom received. The county clerk shall file and keep all original notices so filed, in numerical order, in a file [~~or files~~] designated "Federal Tax Lien Notices," *or in the encumbrance book.*^[4]

(3) *Notices of all other liens payable to the United States, including, but not limited to environmental protection liens, and certificates discharging such liens shall be filed, in duplicate, in the office of the county clerk of each county within which the property subject to the lien is located.*

(4) *When a notice of a federal lien as provided by subsection (3) of this section is filed, the county clerk shall forthwith enter the same in an alphabetical federal lien index, showing on one (1) line the name and residence of the property owner named in the notice, identifying the specific lien holder, the date and hour of filing, and the amount of the lien. He shall indorse on both the original and duplicate copies of the notice the date and hour of filing and shall mail the duplicate to the lien holder from whom received. The county clerk shall file and keep all original notices so filed, in numerical order, in a file designated "Federal Lien Notices," or in the encumbrance book.*

Section 3. KRS 382.490 is amended to read as follows:

(1) When a certificate of discharge of any tax lien issued by the collector of internal revenue is filed in the office of the county clerk where the original notice of the lien is filed, the county clerk shall enter the certificate, with the date of filing, in the federal tax lien index, on the same line where the notice of the lien so discharged is entered, and shall permanently attach the original certificate of discharge to the original notice of lien. He shall mail the duplicate to the collector of internal revenue from whom received.

(2) *When a certificate of discharge of any lien as provided by KRS 382.480(3) is filed, the county clerk shall enter the certificate, with the date of filing, in a federal lien index, on the same line where the notice of the lien so discharged is entered, and shall permanently attach the original certificate of discharge to the original notice of lien. He shall mail the duplicate to the lien holder from whom received."*

Floor Title Amendment to **SB 376**, by Representative Johnson:

Amend printed copy of GA copy of **SB 376** on page 1, by amending the title to read as follows: "AN ACT relating to property."

Adjournment

Representative Stumbo moved that the House adjourn until 10:00 a.m., Friday, March 25, 1988.

On the roll call the vote was yeas 70-Adkins, Allen, Altman, Ark, Arnold, Ballard, Barrows, Blandford, Blevins, J. Brown, M. Brown, Burch, Callahan, Casebier, L. Clark, P. Clark, Cline, Crupper, Cyrus, Donnermeyer, Farrow, Ford, Freibert, Gedling, Gray, Gregory, Hancock, Handy, J. Harper, K. Harper, Hatcher, Hoover, Hourigan, Jackson, Johnson, A. Jones, R. Jones, T. Jones, Kerr, Layman, Lile, Little, Long, Lyne, Mack, Mason, McBee, McElroy, Meyer, Moberly, Noe, Noland, O'Brien, Preston, Priddy, Pritchett, Reinhardt, Richards, B. Richardson, P. Richardson, Ridley, Riner, Scorsone, B. Smith, Stumbo, Todd, Turner, Walker, Will, Worthington. Nays 3-Bronger, Guenther, LeMaster.

The motion to adjourn was adopted.

FRIDAY, MARCH 25, 1988

FIFTY-THIRD LEGISLATIVE DAY

The House was called to order by Speaker Blandford.

Prayer by Representative Billy Ray Smith.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All members present except Representative Yates.

Representative McElroy moved that the absent member be granted leave of absence in accordance with the rules of the House. Agreed.

Representative McElroy moved that the reading of the Journal of March 24, 1988 be dispensed with and the same approved. Agreed.

Senate Message

Announcing the passage of **SB 319, HB 381** with Senate Amendment, **HB 856** with Senate Amendments, **HB 906** with Senate Amendments, **HB 1, HB 351, HB 352, HB 353, HB 360, HB 403, HB 644, HB 650, HB 766, HB 833** and **HB 874**.

HB 12 returned with the following message: The Senate has refused to recede from its Committee Substitute to **HB 12** and is respectfully returning same to this Honorable Body asking for a Conference Committee to be appointed.

Introduction of Resolutions

HR 194, by Representatives Burch, Long, Scorsone, Yates, P. Clark, Priddy, O'Brien, L. Clark, Handy, Lyne, Mack, Heleringer, Todd, Donnermeyer, Northup, Jackson, Worthington, Richards, Freibert, Mason, Johnson, Riner, Rapier, Overstreet, Hatcher, Blandford, Lear, Stumbo, J. Harper, Blevins, Seum, Ackerson, K. Harper and Pritchett: A RESOLUTION commending Dianna McClure, Committee Staff Administrator of the Committee on Health and Welfare.

Report of Committees

The Committee on Banking and Insurance reported **SB 392** with the expression of opinion that the same should pass. Read at length for the first time and ordered placed in the Calendar.

SB 392. AN ACT relating to mortgage loan companies and brokers.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 294.010 is amended to read as follows:

Unless the context otherwise requires:

(1) "Affiliate" means any person who directly or indirectly through one (1) or more intermediaries, controls, or is controlled by, or is under common control with another person;

(2) "Department" means the department of financial institutions;

(3) "Commissioner" means the commissioner of financial institutions;

(4) "Mortgage loan" means any loan secured by a mortgage on residential real property or any loan secured by collateral which has a mortgage lien interest in residential real property;

(5) "Residential real property" means any single family residence or multiple dwelling structure containing four (4) or less single dwelling units for four (4) or less family units, living independently of each other, or any single family condominium unit;

(6) "Person" means an individual, a corporation, a partnership, an association, a joint-stock company, a trust where the interest of the beneficiaries is evidenced by a security, an unincorporated organization, a government, a political subdivision of a government, or any other group however organized;

(7) "Mortgage loan company" means any person who directly or indirectly:

(a) Holds himself out as being able to make or purchase loans secured by mortgages on residential real property;

(b) Holds himself out as being able to service loans secured by mortgages on residential real property; or [and]

(c) Holds himself out as being able to buy or sell notes secured by mortgages on residential real property;

(8) "Mortgage loan broker" means any person who for compensation or gain, or in the expectation of compensation or gain, directly or indirectly:

(a) Holds himself out as being able to serve as an agent for any person in an attempt to obtain a loan which will be secured by a mortgage on residential real property; or [and]

(b) Holds himself out as being able to serve as an agent for any person who has money to loan, which loan is or will be secured by a mortgage on residential real property.

Section 2. KRS 294.020 is amended to read as follows:

(1) *Except as otherwise may be provided, the following shall be exempt from this chapter:*

(a) Any person doing business under the laws of this state or any other state or the United States relating to banks, bank holding companies, trust companies, credit unions, savings and loan associations, service corporation subsidiaries of savings and loan associations, consumer finance companies, industrial loan companies, insurance companies or real estate investment trusts as defined in 26 U.S.C. section 856 and the affiliates of such companies, or mortgage loan companies *approved to do business with* [regulated by] the department of housing and urban development *and the federal national mortgage association or the federal home loan mortgage corporation;*

(b) An attorney at law licensed to practice law in Kentucky who is not principally engaged in the business of negotiating mortgage loans, when such person renders services in the course of his practice as an attorney at law;

(c) Any person doing any act under order of any court;

(d) Any natural person making a mortgage loan with his own funds for his own investment without intent to resell such mortgage loan;

(e) Any person doing business under the laws of this state or the United States relating to any broker-dealer, agent or investment adviser duly registered with the Kentucky division of securities;

(f) The United States of America, the Commonwealth of Kentucky or any other state, and any Kentucky city, county or other political subdivision, and any agency, division or corporate instrumentality of any of the foregoing;

(g) The Federal National Mortgage Association (FNMA), the Federal Home Loan Mortgage Corporation (FHLMC), and the Government National Mortgage Association (GNMA);

(h) Any person licensed in this state as a real estate broker or real estate sales associate, not actively engaged in the business of negotiating loans secured by real property, when such person renders services in the course of his practice as a real estate broker or real estate associate *unless he is receiving or expecting to receive compensation or gain, directly or indirectly, above the normal real estate sales commission.*

(2) Any person relying upon an exemption under subsection (1) of this section shall, *on an annual basis*, file with the commissioner a claim of exemption. The commissioner shall thereafter determine the availability of the claimed exemption and he may not disallow an exemption that is validly claimed.

Section 3. KRS 294.070 is amended to read as follows:

(1) The use of the words "certified" or "licensed" or any form thereof separately or in any combination thereof with other words or syllables, is prohibited as part of the name of a mortgage loan company, *mortgage loan broker or person exempt under the provisions of KRS 294.020(1)*. No license of a proposed mortgage loan company, *mortgage loan broker or person* having the same name as a corporation authorized to do business under the laws of this state or a name so nearly resembling it as to be calculated to deceive shall be issued by the commissioner.

(2) No person, unless lawfully authorized to do business in this state under the provisions of this chapter, and actually engaged in carrying on a mortgage loan or loan broker business, shall do business under any name or title which contains the terms "mortgage company," "mortgage loan company," "mortgage loan broker," "loan broker," "financial broker," or any combination employing the words "mortgage," "loan," or "broker," with one or more of the words "association," "institution," "society," "company," "corporation," or words of similar import, or use any name or represent in any manner which indicates or reasonably implies that his or its business is that of a mortgage loan company or mortgage loan broker as defined by KRS 294.010.

Section 4. KRS 294.090 is amended to read as follows:

The commissioner may deny, suspend, or revoke any license when the applicant or licensee:

(1) Does not meet or has failed to comply with the requirements of this chapter;

(2) Is unfit through lack of financial responsibility or experience to conduct the business of a mortgage loan company or mortgage loan broker, as the case may be;

(3) Does not conduct his business in accordance with law or the method of business includes or would include activities which are illegal where performed, or has willfully violated any provision of this chapter or any regulation hereunder;

(4) Collects interest at a usurious rate;

(5) Is in such financial condition that he cannot continue in business with safety to his customers;

(6) Has been guilty of fraud in connection with any transaction governed by this chapter, or is the subject of an administrative cease and desist order or similar order, or a permanent or temporary injunction of any court of competent jurisdiction entered under any other federal or state act applicable to the registrant; but the commissioner may not institute a proceeding under this subsection more than one (1) year from the date of the order or injunction relied on, and he may not enter an order under this subsection on the basis of an injunction entered under any other state act unless that order or injunction was based on facts which would currently constitute a ground for an order under this section;

(7) Has made any misrepresentations or false statements to, or concealed any essential or material fact from, any person in the course of acting as a mortgage loan company or mortgage loan broker, or has engaged in a course of business which has worked or tended to work a fraud upon any person or would so operate;

(8) Has knowingly made or caused to be made to the commissioner any false representation of material

fact or has suppressed or withheld from the commissioner any information which the applicant or licensee possesses, and which if submitted by him would have rendered the applicant or licensee ineligible to be licensed under this chapter;

(9) Has failed to account to persons interest for all funds received for the escrow account required under KRS 294.130;

(10) Has refused to permit an examination by the commissioner of his books and affairs or has refused or failed, within a reasonable time, to furnish any information or make any report that may be required by the commissioner under the provisions of this chapter;

(11) Has been convicted of any misdemeanor of which an essential element is fraud, or any felony, or has pending against him any felony charge.

Section 5. KRS 294.190 is amended to read as follows:

(1) The commissioner may investigate either upon complaint or otherwise when it appears that a mortgage loan company *or mortgage loan broker* is conducting its business in an unsafe and injurious manner or in violation of this chapter, or any rule or order hereunder, or when it appears that any person is engaging in the mortgage loan business without being registered under the provisions of this chapter.

(2) Whenever it appears to the commissioner upon sufficient grounds or evidence satisfactory to the commissioner that any mortgage loan company *or mortgage loan broker* has engaged in or is about to engage in any practice in violation of this chapter or any rule or order hereunder, or the assets or capital of any *such mortgage loan company, mortgage loan broker or person* are impaired or *its [the mortgage loan company's]* affairs are in an unsafe condition the commissioner may:

(a) Order the mortgage loan company, *mortgage loan broker or person* to cease and desist from such acts or practices by a formal written order delivered to the *mortgage loan company, mortgage loan broker or person* stating any alleged violation together with a statement of the facts alleged to be such violation. The order shall specify the effective date thereof and notice of entry shall be served personally or sent by certified mail or telegraph to the company affected. The *mortgage loan company, mortgage loan broker or person* upon application, is entitled to a hearing; but if no such application is made within twenty (20) days after the delivery of such an order, it shall be made final and shall remain in effect until withdrawn by the commissioner or terminated by a court order;

(b) Apply directly to Franklin Circuit Court to enjoin any acts or practices in violation of this chapter and to enforce compliance with this chapter or any rule or order hereunder. Upon proper showing, a permanent or temporary injunction, restraining order, or writ of mandamus shall be granted and a receiver or conservator may be appointed for the defendant or the defendant's assets. The commissioner may not be required to post a bond.

SECTION 6. A NEW SECTION OF KRS CHAPTER 294 IS CREATED TO READ AS FOLLOWS:

Not later than one hundred twenty (120) days after the close of the fiscal year of a licensee, the licensee shall file with the commissioner a financial statement for that fiscal year prepared by a certified public accountant, or by a public accountant registered in this state.

Calendar

SB 194, SB 143, SB 138, SB 171, SB 182 and SB 297 taken from the Calendar and ordered read at length for the second time. Representative Stumbo moved that they be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Orders of the Day

SB 286, with Floor Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Long moved that **SB 286** be passed.

On the roll call the vote was: Yeas 85, Nays 0. (See March 25, 1988 roll call on **SB 286** - Appendix A.)

SB 286 was passed and the title agreed to.

Representative Long moved that the vote by which **SB 286** was passed be reconsidered and said motion be placed on the table. Agreed.

Representative Stumbo moved that the rules be suspended to act upon a Resolution. Agreed.

Representative Burch moved the adoption of the following **HR 194**:

HR 194. A RESOLUTION commending Dianna McClure, Committee Staff Administrator of the Committee on Health and Welfare.

WHEREAS, Dianna McClure has served the General Assembly for fifteen years demonstrating dedication, intelligence and selflessness; and

WHEREAS, Dianna McClure has given of her time and talents in the service of the General Assembly; and

WHEREAS, many Kentuckians have benefitted from Dianna McClure's foresight and knowledge of issues; and

WHEREAS, the diligence and devotion of Dianna McClure is far too often taken for granted;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House commends the work of Dianna McClure, Committee Staff Administrator, Committee on Health and Welfare.

Section 2. That the House extends its sincerest gratitude to Dianna McClure for her dedication and contribution to the Kentucky General Assembly.

Section 3. That the Clerk of the House is hereby directed to transmit a copy of this resolution to Dianna McClure, Committee Staff Administrator, Committee on Health and Welfare.

HR 194 was adopted by voice vote.

The following members requested that the names be added as Co-Sponsors of **HR 194**: Adams, Adkins, Altman, Arnold, Ballard, Blandford, Blevins, Bronger, J. Brown, Burch, Callahan, Castleman, L. Clark, P. Clark, Clarke, Cline, Crupper, Curd, Cyrus, Donnermeyer, Farrow, Ford, Freibert, Gedling, Geveden, Gray, Gregory, Hancock, Handy, J. Harper, K. Harper, Hatcher, Hoover, Hourigan, Jackson, Johnson, A. Jones, R. Jones, Keith, Kerr, Layman, Lear, Lefevvers, LeMaster, Lile, Little, Lundergan, Lyne, Mack, Maggard, Mason, McBee, McElroy, Meyer, Moberly, Napier, Nett, Noe, Noland, O'Brien, Overstreet, Preston, Priddy, Pritchett, Rapier, Reinhardt, Richards, B. Richardson, P. Richardson, Ridley, Riner, Robinson, Scorsone, Seum, Siler, R. Smith, Stumbo, Todd, Turner, Walker, White, Will.

Representative Ford moved that the rules be suspended to introduce and act upon a Resolution. Agreed.

HR 195, by Representative Ford: A RESOLUTION adjourning in memory and honor of William Harold DeMarcus.

Representative Ford moved the adoption of the following **HR 195**:

HR 195. A RESOLUTION adjourning in memory and honor of William Harold DeMarcus.

With kindest respect and with deepest admiration, we pay homage and tribute to the memory of our beloved friend and colleague, William Harold DeMarcus.

WHEREAS, William Harold DeMarcus of Stanford, Kentucky traversed these earthly bounds on Tuesday, June 10, 1986; and

WHEREAS, William Harold DeMarcus was minority floor leader in the House of Representatives for seventeen years; and

WHEREAS, William Harold DeMarcus served with distinction while contributing many years of outstanding leadership and public service to the people of Kentucky; and

WHEREAS, William Harold DeMarcus was a great orator; and

WHEREAS, William Harold DeMarcus will be long remembered as a true friend of education;

NOW, THEREFORE.

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House of Representatives expresses its profound grief over the loss of William Harold DeMarcus.

Section 2. That the House of Representatives extends its sincere and most heartfelt sympathy to his family.

Section 3. That when the House of Representatives adjourns this day, Friday, March 25, 1988, it does so in honor and in loving memory of William Harold DeMarcus.

HR 195 was adopted by voice vote.

The following members requested that their names be added as Co-Sponsors of **HR 195**: Adams, Adkins, Allen, Altman, Ark, Arnold, Ballard, Blandford, Blevins, Bronger, J. Brown, M. Brown, Bruce, Burch, Callahan, Casebier, Castleman, Cline, Crupper, Curd, Cyrus, Deskins, Donnermeyer, Ford, Freibert, Gray, Gregory, Guenther, Hancock, K. Harper, Hatcher, Hoover, Hourigan, Jackson, A. Jones, Keith, Kerr, Layman, Lear, Lefevers, LeMaster, Lile, Little, Long, Lundergan, Lyne, Mack, Mason, McBee, McElroy, Moberly, Morris, Napier, Nett, Noland, Northup, Preston, Priddy, Pritchett, Rapier, Reinhardt, Richards, P. Richardson, Ridley, Robinson, Scorsone, Seum, Siler, B. Smith, R. Smith, Strong, Todd, Turner, Walker, White, Will, Worthington.

SB 99 with Floor Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Donnermeyer moved the adoption of Floor Amendment No. 4 to **SB 99**.

Representative Richards inquired whether Floor Amendment No. 4 was germane to the Bill.

The Speaker ruled that Floor Amendment No. 4 was not germane to the Bill.

Representative Riner moved the adoption of Floor Amendment No. 3 to **SB 99**.

Representative Scorsone inquired whether Floor Amendment No. 3 to **SB 99** was germane to the Bill.

The Speaker ruled that Floor Amendment No. 3 to **SB 99** was not germane to the Bill.

Representative Riner moved the adoption of Floor Amendment No. 2 to **SB 99**.

Representative Scorsone inquired whether Floor Amendment No. 2 to **SB 99** was germane to the Bill.

The Speaker ruled that Floor Amendment No. 2 to **SB 99** was not germane to the Bill.

Representative Richards moved that **SB 99** be passed.

On the roll call the vote was: Yeas 91, Nays 0. (See March 25, 1988 roll call on **SB 99** - Appendix A.)

SB 99 was passed and title agreed to.

Representative Richards moved that the vote by which **SB 99** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 329, with Floor Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Little moved the adoption of Floor Amendment No. 2 to **SB 329**.

On the roll call the vote was yeas 41-Ark, Barrows, Blevins, M. Brown, Burch, Callahan, Casebier, Clarke, Cline, Cyrus, Deskins, Dommermeyer, Farrow, Ford, Gregory, Hancock, K. Harper, Heleringer, Jackson, T. Jones, Keith, Kerr, Lile, Little, Long, Mack, Maggard, Meyer, Moberly, Nett, Noland, O'Brien, Preston, Priddy, Robinson, Scorsone, Seum, Siler, Stumbo, Walker, White. Nays 47-Allen, Altman, Arnold, Ballard, Blandford, Bronger, J. Brown, Bruce, Castleman, L. Clark, P. Clark, Curd, Freibert, Gedling, Geveden, Gray, Guenther, Handy, J. Harper, Hoover, Hourigan, Johnson, A. Jones, R. Jones, Layman Lear, Lefevers, LeMaster, Lundergan, Lyne, McBee, McElroy, Morris, Overstreet, Pritchett, Rapier, Reinhardt, Richards, B. Richardson, P. Richardson, Ridley, Riner, B. Smith, R. Smith, Todd, Turner, Will.

Floor Amendment No. 2 to **SB 329** was rejected.

Representative B. Richardson moved the adoption of Floor Amendment No. 3 to **SB 329**.

Representative Farrow inquired whether Floor Amendment No. 3 to **SB 329** was germane to the Bill.

The Speaker ruled that Floor Amendment No. 3 to **SB 329** was germane to the Bill.

On the roll call the vote was yeas 55-Ackerson, Adams, Allen, Altman, Arnold, Ballard, Blandford, Bronger, J. Brown, Bruce, Burch, Castleman, L. Clark, Crupper, Ford, Freibert, Gedling, Geveden, Gray, Gregory, Handy, J. Harper, K. Harper, Hatcher, Hoover, Johnson, A. Jones, R. Jones, Keith, Layman, Lear, Lefevers, LeMaster, Long, Lundergan, Lyne, Mason, McBee, McElroy, Morris, Napier, Noland, Overstreet, Pritchett, Rapier, Richards, B. Richardson, P. Richardson, Ridley, Riner, B. Smith, R. Smith, Todd, Turner, Will. Nays 37-Adkins, Ark, Barrows, Blevins, Callahan, Casebier, Clarke, Cline, Curd, Cyrus, Deskins, Dommermeyer, Farrow, Guenther, Hancock, Heleringer, Hourigan, Jackson, T. Jones, Kerr, Lile, Little, Mack, Maggard, Meyer, Moberly, Nett, Northup, O'Brien, Preston, Reinhardt, Robinson, Scorsone, Seum, Siler, Stumbo, Walker.

Floor Amendment No. 3 to **SB 329** was adopted.

Representative B. Richardson moved that **SB 329**, as amended, be passed.

On the roll call the vote was: Yeas 65, Nays 31. (See March 25, 1988 roll call on **SB 329** - Appendix A.)

SB 329, as amended, was passed.

Representative B. Richardson moved the adoption of the Floor Title Amendment to **SB 329**. Agreed; and title was agreed to.

Representative B. Richardson moved that the vote by which **SB 329**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 35 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Richards moved that **SB 35** be passed.

On the roll call the vote was: Yeas 95, Nays 0. (See March 25, 1988 roll call on **SB 35** - Appendix A.)

SB 35 was passed and the title agreed to.

Representative Richards moved that the vote by which **SB 35** was passed be reconsidered and said motion be placed on the table. Agreed.

Report on Enrolled Bills

The Committee on Enrollment reported **SB 6, SB 14, SB 49, SB 134, SB 141, SB 180, SB 192, SB 195, SB 197, SB 210, SB 213, SB 215, SB 218, SB 225, SB 236, SB 240, SB 242, SB 264, SB 303, SB 277, SB 288, SB 304, SB 305, SB 314, SB 68, SB 96, SB 97, SB 121, SB 142, SB 148, SB 150, SB 154, SB 166, SB 174, SB 178, SB 179, SB 193, SB 208, SB 209, SB 211, SB 216, SB 237, SB 244, SB 258, SB 271, SJR 44, SCR 53 and SCR 68** had been examined and found correctly enrolled. Said Bills and Resolutions read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate. (Time - 10:58 a.m.)

Report on Enrolled Bills

The Committee on Enrollment reported **HB 1, HB 351, HB 352, HB 353, HB 360, HB 403, HB 644, HB 650, HB 766, HB 833 and HB 874** had been examined and found correctly enrolled. Said Bills read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate. (Time - 11:10 a.m.)

HB 351, HB 352, HB 353, HB 360, HB 403, HB 644, HB 650, HB 766, HB 833 and HB 874 delivered to the Senate, signed by the President. Ordered delivered to the Governor.

HB 1 delivered to the Senate, signed by the President. Ordered delivered to the Secretary of State.

Orders of the Day (continued)

SB 37, with Committee Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Cyrus moved the adoption of Committee Amendment No. 1 to **SB 37**. Agreed.

Representative Cyrus moved that **SB 37**, as amended, be passed.

On the roll call the vote was: Yeas 85, Nays 0. (See March 25, 1988 roll call on **SB 37** - Appendix A.)

SB 37, as amended, was passed and the title agreed to.

Representative Cyrus moved that the vote by which **SB 37**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 119, with Committee Amendment and Floor Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Barrows moved the adoption of Floor Amendment No. 1 to **SB 119**. Agreed.

Representative Barrows moved that **SB 119**, as amended, be passed.

On the roll call the vote was: Yeas 67, Nays 25. (See March 25, 1988 roll call on **SB 119** - Appendix A.)

SB 119, as amended, was passed and the title agreed to.

Representative Barrows moved that the vote by which **SB 119**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 245, with Floor Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Meyer moved that **SB 245** be passed.

On the roll call the vote was: Yeas 95, Nays 1. (See March 25, 1988 roll call on **SB 245** - Appendix A.)

SB 245 was passed and the title agreed to.

Representative Meyer moved that the vote by which **SB 245** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 293, with Floor Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Long moved the adoption of Floor Amendment No. 1 to **SB 293**. Agreed.

Representative Lear moved that **SB 293**, as amended, be passed.

On the roll call the vote was: Yeas 94, Nays 0. (See March 25, 1988 roll call on **SB 293** - Appendix A.)

SB 293, as amended, was passed and the title agreed to.

Representative Lear moved that the vote by which **SB 293**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 300, with Committee Substitute and Floor Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative B. Smith moved the adoption of Committee Substitute to **SB 300**. Agreed.

Representative Lear moved the adoption of Floor Amendment No. 2 to Committee Substitute to **SB 300**. Agreed.

Representative Morris moved the adoption of Floor Amendment No. 3 to Committee Substitute to **SB 300**.

Representative Clark inquired whether Floor Amendment No. 3 to Committee Substitute to **SB 300** was germane to the Bill.

The Speaker ruled that Floor Amendment No. 3 to Committee Substitute to **SB 300** was not germane to the Bill.

Representative B. Smith moved that **SB 300**, by way of Committee Substitute as amended, be passed.

On the roll call the vote was: Yeas 88, Nays 3. (See March 25, 1988 roll call on **SB 300** - Appendix A.)

SB 300, by way of Committee Substitute as amended; was passed.

Representative B. Smith moved the adoption of Floor Title Amendment No. 2 to Committee Substitute to **SB 300**. Agreed; and the title was agreed to.

Representative B. Smith moved that the vote by which **SB 300**, by way of Committee Substitute as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 306 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative McElroy moved that **SB 306** be passed.

On the roll call the vote was: Yeas 85, Nays 3. (See March 25, 1988 roll call on **SB 306** - Appendix A.)

SB 306 was passed and the title agreed to.

Representative McElroy moved that the vote by which **SB 306** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 275, with Committee Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Meyer moved the adoption of Committee Amendment No. 1 to **SB 275**. Agreed.

Representative Meyer moved that **SB 275**, as amended, be passed.

On the roll call the vote was: Yeas 66, Nays 20. (See March 25, 1988 roll call on **SB 275** - Appendix A.)

SB 275, as amended, was passed and the title agreed to.

Representative Meyer moved that the vote by which **SB 275**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 331, with Floor Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Hancock moved the adoption of Floor Amendment No. 2 to **SB 331**.

Representative Long inquired whether Floor Amendment No. 2 to **SB 331** was germane to the Bill.

The Speaker ruled Floor Amendment No. 2 to **SB 331** was not germane to the Bill.

Representative Long moved that **SB 331** be passed.

On the roll call the vote was: Yeas 88, Nays 2. (See March 25, 1988 roll call on **SB 331** - Appendix A.)

SB 331 was passed and the title agreed to.

Representative Long moved that the vote by which **SB 331** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 333 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Donnermeyer moved that **SB 333** be passed.

On the roll call the vote was: Yeas 69, Nays 19. (See March 25, 1988 roll call on **SB 333** - Appendix A.)

SB 333 was passed and the title agreed to.

Representative Donnermeyer moved that the vote by which **SB 333** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 377, with Committee Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Pritchett moved the adoption of Committee Amendment No. 1 to **SB 377**.

On the roll call the vote was yeas 77-Ackerson, Altman, Ark, Arnold, Barrows, Blevins, M. Brown, Bruce, Burch, Callahan, Castleman, P. Clark, Clarke, Cline, Crupper, Curd, Farrow, Ford, Freibert, Gedling, Geveden, Gray, Gregory, Hancock, Handy, J. Harper, K. Harper, Hatcher, Heleringer, Hoover, Hourigan, Johnson, A. Jones, R. Jones, T. Jones, Keith, Kerr, Layman, Lefeviers, LeMaster, Lile, Long, Lyne, Mack, Mason, McBee, McElroy, Meyer, Moberly, Morris, Nett, Noe, Noland, Northup, O'Brien, Overstreet, Priddy, Pritchett, Rapier, Reinhardt, Richards, B. Richardson, P. Richardson, Ridley, Riner, Robinson, Scorsone, Seum, Siler, B. Smith, R. Smith, Stumbo, Todd, Turner, Walker, Will, Worthington. Nays 11-Adkins, Blandford, Bronger, J. Brown, Casebier, L. Clark, Cyrus, Donnermeyer, Guenthner, Jackson, Maggard.

Committee Amendment No. 1 to **SB 377** was adopted.

Representative Deskins moved that **SB 377**, as amended, be passed.

On the roll call the vote was: Yeas 97, Nays 0. (See March 25, 1988 roll call on **SB 377** - Appendix A.)

SB 377, as amended, was passed and the title agreed to.

Representative Deskins moved that the vote by which **SB 377**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

Representative Stumbo moved that **HB 917** be recommitted to the Committee on Appropriations and Revenue. Agreed.

Representative Stumbo moved that **HB 214** be recommitted to the Committee on State Government. Agreed.

SCR 83 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Clarke moved that **SCR 83** be passed.

On the roll call the vote was: Yeas 85, Nays 4. (See March 25, 1988 roll call on **SCR 83** - Appendix A.)

SCR 83 was passed and the title agreed to.

Representative Clarke moved that the vote by which **SCR 83** was passed be reconsidered and said motion be placed on the table. Agreed.

SJR 17 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Maggard moved that **SJR 17** be passed.

On the roll call the vote was: Yeas 96, Nays 0. (See March 25, 1988 roll call on **SJR 17** - Appendix A.)

SJR 17 was passed and the title agreed to.

Representative Maggard moved that the vote by which **SJR 17** was passed be reconsidered and said motion be placed on the table. Agreed.

SJR 65 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Allen moved that **SJR 65** be passed.

On the roll call the vote was: Yeas 92, Nays 1. (See March 25, 1988 roll call on **SJR 65** - Appendix A.)

SJR 65 was passed and the title agreed to.

Representative Allen moved that the vote by which **SJR 65** was passed be reconsidered and said motion be placed on the table. Agreed.

SCR 82 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative L. Clark moved that **SCR 82** be passed.

On the roll call the vote was: Yeas 95, Nays 0. (See March 25, 1988 roll call on **SCR 82** - Appendix A.)

SCR 82 was passed and the title agreed to.

Representative L. Clark moved that the vote by which **SCR 82** was passed be reconsidered and said motion be placed on the table. Agreed.

HCR 141 taken from the Orders of the Day and ordered read at length for the third time. Representative

Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Guenthner moved that **HCR 141** be passed.

On the roll call the vote was: Yeas 96, Nays 0. (See March 25, 1988 roll call on **HCR 141** - Appendix A.)

HCR 141 was passed and the title agreed to.

Representative Guenthner moved that the vote by which **HCR 141** was passed be reconsidered and said motion be placed on the table. Agreed.

SJR 50 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Rapier moved that **SJR 50** be passed.

On the roll call the vote was: Yeas 92, Nays 0. (See March 25, 1988 roll call on **SJR 50** - Appendix A.)

SJR 50 was passed and the title agreed to.

Representative Rapier moved that the vote by which **SJR 50** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 338 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Deskins moved that **SB 338** be passed.

On the roll call the vote was: Yeas 92, Nays 0. (See March 25, 1988 roll call on **SB 338** - Appendix A.)

SB 338 was passed and the title agreed to.

Representative Deskins moved that the vote by which **SB 338** was passed be reconsidered and said motion be placed on the table. Agreed.

Senate Message

Announcing the passage of **SB 183, SB 334, SB 365, HB 519, HB 594, HB 673, HB 709, HB 755, HB 873, HB 784 and HCR 17.**

Orders of the Day (continued)

SB 328, with Committee Substitute and Floor Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Donnermeyer moved the adoption of Committee Substitute to **SB 328**. Agreed. ...

Representative Donnermeyer moved that **SB 328**, by way of Committee Substitute, be passed.

On the roll call the vote was: Yeas 74, Nays 7. (See March 25, 1988 roll call on **SB 328** - Appendix

A.)

SB 328, by way of Committee Substitute, was passed:

Representative Donnermeyer moved the adoption of the Floor Title Amendment to **SB 328**. Agreed; and the title was agreed to.

Representative Donnermeyer moved that the vote by which **SB 328**, by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

Representative Stumbo moved that no further business be conducted on this day other than receiving Senate Messages, filing of amendments and adjournment. Agreed.

Representative Stumbo moved that when the House adjourns today, it do so by voice vote. Agreed.

Representative Stumbo moved that when the House adjourns today, it do so until 11:00 a.m., Monday, March 28, 1988. Agreed.

Recess

Representative Stumbo moved that the House recess for one hour. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Announcements

The Clerk announced the filing of the following Floor Amendments to Bills and Resolutions:

Floor Amendment No. 1 to **SB 29**, by Representative Bruce:

Amend printed copy of GA Copy of **SB 29** on page 2, line 20, by deleting "*forth-five (45)*" and inserting in lieu thereof "*sixty (60)*"

And on page 2, line 24, by adding: "*Repeal*" "SECTION 2: KRS 287.135"

Floor Amendment No. 2 to **SB 29**, by Representative Stumbo:

Amend printed copy of GA Copy of **SB 29** on page 2, after line 24 by adding:

"Section 2. KRS 287.180 is amended to read as follows:

(1) Banks authorized under the laws of this state may, except as provided in subsection (2) of this section, exercise, only at their principal office, powers necessary to carry on the business of banking by discounting and negotiating notes, drafts, bills of exchange and other evidences of debt, and by purchasing bonds, receiving deposits and allowing interest thereon, buying and selling exchange, coin and bullion and lending money on personal or real security.

(2) Any corporation presently or hereafter engaged in the business of banking, and meeting the requirements of this subsection, may apply to the commissioner for permission to establish, within the city in which either the principal office or an existing branch office which has been annexed into the city or acquired by merger is located and, subject to the limitation hereinafter imposed, within the county in which its principal office is located a branch at which all of the powers conferred in subsection (1) of this section may be exercised. Before the commissioner shall approve or disapprove any application made under this subsection he shall ascertain and determine that the public convenience and advantage will be served and prompted thereby and that there is reasonable probability of the successful operation of such branch based upon the financial and managerial impact of the branch on the bank establishing the branch. No such branch shall be authorized or approved by the commissioner unless all of the following are complied with:

(a) No such corporation having a combined capital and surplus of less than one hundred thousand dollars (\$100,000) shall be permitted to establish any branch. Any corporation applying for permission to establish a branch shall be required to have a minimum combined capital and surplus for each branch applied for in accordance with the following table:

If the principal office is located in:

1. An unincorporated area or in a city of 7,999 population or less \$100,000
2. City with population of 8,000 to 19,999 \$200,000
3. City with population of 19,999 and over one (1) branch may be authorized for every two hundred fifty thousand dollars (\$250,000) of capital and surplus.

Said population is to be determined by the last census or any future census of the United States:

(b) No such corporation shall be permitted to establish a branch in any incorporated city, other than in the city in which either the principal office or an existing branch office which has been annexed into the city or acquired by merger is located, in which there is an existing bank, *unless any such existing bank has a branch in or within one-half (1/2) mile of an incorporated city within which such corporation has its principal office.* Nor shall any such corporation be permitted to establish a branch in any unincorporated area within a radius of one (1) mile of an existing bank located in such unincorporated area. As used in this subsection, an "existing bank" shall mean the principal office of a bank as distinguished from a branch thereof:

(c) The permission to open a branch shall lapse one (1) year after the commissioner has rendered a final order, as defined in KRS 287.062, unless it shall have been opened and business actually begun in good faith. If, for reasons beyond the control of the applicant, the branch is not opened within this time period, permission to open the branch may, with the approval of the commissioner, be extended for whatever period of time he deems to be necessary; and

(d) An application to establish a branch office shall be approved or disapproved by the commissioner based upon the facts existing at the date of filing of the application, except for the financial condition of the bank proposing to establish a branch office, which condition shall be subject to review until an order ruling on the application is made.

(3) Any corporation which on January 1, 1966, was engaged in operating an agency or branch bank, may continue to retain and operate the same under the general banking laws, and the requirements set forth in this section in respect to capital shall not apply to any such existing agency or branch bank but only as to those agencies or branch banks which may be established in the future pursuant to the terms of this section.

(4) The provisions of this section shall not be construed to prohibit the merger of banks in the same county and the operation by the merged corporation of such banks, nor to prohibit the sale of any bank to, and the purchase thereof by, any other bank in the same county and the operation of such bank by the purchasing bank as a branch, provided the commissioner shall determine that the public convenience and necessity will be served by such operation, and provided further that, at the time of such merger or purchase, each of the banks involved shall have been in operation for a period of five (5) years or more. The bank which does not survive the merger must surrender its charter.

(5) Any national banking association or any state bank member of the federal reserve system whose principal office is located in this state is hereby authorized to do all things and perform all acts which state banks are permitted to do or perform under this section, subject to the conditions and restrictions provided for banks as to exercise of such powers.

(6) When a branch or agency bank has once been established any operation thereof shall not be discontinued, and said branch or agency bank shall not be closed until after ninety (90) days' notice in writing to the commissioner. In the discretion of the commissioner said branch or agency bank proposing to discontinue operation may be required to give notice of the date when such operation will cease."

Floor Amendment No. 3 to **SB 29**, by Representative Meyer:

Amend printed copy of GA Copy of **SB 29** on page 2 after line 24 by adding:

"Section 2. KRS 287.020 is amended to read as follows:

(1) The commissioner may prescribe, amend and repeal such rules, regulations, forms, *policy statements* and orders as are necessary to interpret and carry out the provisions and intent of this chapter. He shall devise a seal for his department, a description of which, together with an impression thereof and a certificate of approval by the governor, shall be filed in the office of the secretary of state. The seal shall be renewed whenever necessary.

(2) The commissioner of financial institutions and his deputies shall be allowed their necessary traveling and other expenses of conducting their office.

(3) The commissioner of financial institutions may prescribe, amend and repeal regulations and *policy statements* authorizing banks to engage in any banking activity in which such banks could engage were they operating as national banks at the time such authority is granted, provided that this subsection shall not apply to activities which are expressly prohibited or limited by the statutes of the Commonwealth.

(4) Nothing herein contained shall be construed to repeal, modify or alter the restrictions of KRS 287.105 relative to the leasing of motor vehicles, or of KRS 287.180 relative to the establishment of branches.

Section 3. KRS 287.061 is amended to read as follows:

(1) Whenever an application for approval of a corporation or facility provided for by KRS 287.050, 287.180, or 287.185 is made, notice of such application shall be published.

(2) Any interested party shall have the opportunity to make written comments on whether the criteria for approval set forth in the particular statutory section have been met. Such party *may inspect all public records relating to the application to the extent provided by KRS 61.870 to 61.884* ~~[shall have access to all materials supplied by the applicant to the commissioner in connection with the application and all evidence assembled by the commissioner or his agents pertaining to said application].~~

(3) The commissioner may cause a hearing to be held if, in his judgment, such hearing is necessary to protect the rights of any party or otherwise advisable under the circumstances. Regardless of whether or not a hearing is held, the commissioner shall make the determinations required of him by the statutory sections mentioned in subsection (1) by means of a written order which sets forth the bases for his decision.

(4) When no hearing has been held and the commissioner has determined, by written order, that the proposed corporation or facility contemplated by the statutory sections mentioned in subsection (1) of this section should not be approved, he shall afford those parties seeking approval, and them only, a period of twenty (20) days after rendition of the order to request a public hearing. If a hearing is then held, he shall prepare a second written order which makes the particular determinations required by the above-mentioned statutory sections. This second order may contain bases for his determinations that are in addition to or different from those contained in the first order.

(5) Notice of hearings held pursuant to this section shall be given by advertising one (1) time in the newspaper with the largest circulation in the locality where the proposed corporation or facility is to be situated. Such advertisement shall state the nature and location of the proposed corporation or facility, as well as the name of the corporation or parties applying for approval. The notice shall also state that any interested parties who wish to make written comments on the application shall so indicate to the department in writing within twenty (20) days after publication of the notice.

Section 4. KRS 287.070 is amended to read as follows:

(1) *The minimum capital stock of any bank incorporated in this state after the effective date of this Act shall be three hundred thousand dollars (\$300,000)* ~~[The capital stock of any financial institution mentioned in KRS 287.040 organized prior to May 31, 1988 shall be maintained in the amount required by the law~~

in effect on May 30, 1938].

(2) The minimum capital stock of any ~~bank or~~ trust company incorporated in this state after the effective date of this Act shall be five hundred thousand dollars (\$500,000). ~~organized after May 30, 1938 shall be as follows, according to the city in which it is located:~~

Cities of up to 7,999 population	\$ 25,000
Cities of 7,999 to 19,999 population	\$ 50,000
Cities of 20,000 to 100,000 population	\$100,000
Cities of over 100,000 population	\$200,000

(3) The minimum capital stock of any interim or phantom bank which is created solely for the purpose of effectuating a merger or consolidation to facilitate the formation of a bank holding company or other corporate reorganization or recapitalization shall be three thousand dollars (\$3,000) ~~any combined bank and trust company, combined bank and real estate title insurance company or combined trust and real estate title insurance company or combined bank trust and real estate title insurance company, organized after May 30, 1938, shall be not less than twice the amount stated in subsection (2) of this section].~~

(4) The capital stock of any financial institution mentioned in KRS 287.040 incorporated prior to the effective date of this Act shall be maintained in the amount required by the laws in effect on the date the institution was incorporated.

Section 5. KRS 287.095 is amended to read as follows:

(1) ~~Before [At least sixty (60) days prior to]~~ a change occurs ~~[occurring]~~ in the outstanding voting securities ~~[stock]~~ of any bank or trust company which will result in control or in a change in the control of the bank or trust company, each ~~[the]~~ proposed acquiring party ~~[or parties]~~ shall file a report ~~with [report such facts to] the commissioner unless the party is, or as a result of the change of control will become, a bank holding company as defined in KRS 287.900. No proposed change which is required to be reported to the commissioner pursuant to this subsection may be effected unless and until the commissioner approves the change. The commissioner shall approve the proposed change in control within sixty (60) days after receipt of the notice [for approval]~~ unless the commissioner finds that:

- (a) The terms of the acquisition are not in accordance with the laws of this state; or
- (b) The financial condition, or the competence, experience and integrity of the acquiring party or parties are such as will jeopardize the financial stability of the bank; or
- (c) The public convenience and advantage will not be served by the acquisition.

(2) As used in subsection (1) of this section, the term "control" means the power to directly or indirectly direct or cause the direction of the management or policies of the bank or trust company. A change in ownership of voting securities ~~[stock]~~ which would result in direct or indirect ownership by a stockholder or an affiliated group of stockholders of twenty-five percent (25%) or more ~~[less than ten percent (10%)]~~ of the outstanding voting securities, or the power to vote ten percent (10%) or more of the outstanding voting securities if a stockholder or affiliated group of stockholders is the largest stockholder after the transaction, ~~[stock]~~ shall ~~[not]~~ be considered a change of control. If there is any doubt as to whether a change in the outstanding voting securities ~~[stock]~~ is sufficient to result in control thereof or to effect a change in the control thereof, such doubt shall be resolved in favor of reporting the facts to the commissioner.

(3) ~~If [Whenever]~~ a bank makes a loan or loans, secured, or to be secured, by twenty-five percent (25%) or more of the outstanding voting securities ~~[stock]~~ of a bank, the president or other chief executive officer of the lending bank shall promptly report the ~~[such]~~ fact to the commissioner upon obtaining knowledge of the ~~[such]~~ loan or loans, except that no report need be made ~~if [in those cases where]~~ the borrower has been the owner of record of the securities ~~[stock]~~ for a period of one (1) year or more, or the securities ~~[stock is]~~ that of a newly organized bank prior to its opening.

(4) The reports required by subsections (1) ~~;~~ (2) and (3) of this section shall contain the following information to the extent that it is known by the person making the report:

- (a) The number of shares involved;
- (b) The names of the sellers (or transferors);
- (c) The names of the purchasers (or transferees);
- (d) The names of the beneficial owners if the shares are registered in another name;
- (e) The purchase price;
- (f) The total number of shares owned by the seller (or transferors), the purchasers (or transferees) and the beneficial owners both immediately before and after the transaction; and in the case of a loan:
 - 1. The name of the borrower;
 - 2. The amount of the loan; and
 - 3. The name of the bank issuing the *securities* ~~[stock]~~ securing the loan and the number of shares securing the loan.

In addition to the foregoing, such reports shall contain such other information as may be available to inform the commissioner of the effect of the transaction upon control of the bank or trust company whose *securities* ~~are~~ ~~[stock is]~~ involved.

(5) Whenever such a change as described in subsection (1) of this section occurs, each bank or trust company shall report promptly to the commissioner any changes or replacement of its chief executive officer or of any director occurring in the next twelve-month period, including in its report a statement of the past and current business and professional affiliations of the new chief executive officer or directors.

Section 6. KRS 287.180 is amended to read as follows:

(1) Banks authorized under the laws of this state may, except as provided in subsection (2) of this section, exercise, only at their principal office, powers necessary to carry on the business of banking by discounting and negotiating notes, drafts, bills of exchange and other evidences of debt, and by purchasing bonds, receiving deposits and allowing interest thereon, buying and selling exchange, coin and bullion and lending money on personal or real security.

(2) Any corporation presently or hereafter engaged in the business of banking, and meeting the requirements of this subsection, may apply to the commissioner for permission to establish, within the city in which either the principal office or an existing branch office which has been annexed into the city or acquired by merger is located and, subject to the limitation hereinafter imposed, within the county in which its principal office is located a branch at which all of the powers conferred in subsection (1) of this section may be exercised. Before the commissioner shall approve or disapprove any application made under this subsection he shall ascertain and determine that the public convenience and advantage will be served and prompted thereby and that there is reasonable probability of the successful operation of such branch based upon the financial and managerial impact of the branch on the bank establishing the branch. No such branch shall be authorized or approved by the commissioner unless all of the following are complied with:

(a) No such corporation having a combined capital and surplus of less than one hundred thousand dollars (\$100,000) shall be permitted to establish any branch. Any corporation applying for permission to establish a branch shall be required to have a minimum combined capital and surplus for each branch applied for in accordance with the following table:

If the principal office is located in:

1. An unincorporated area or in a city of 7,999 population or less \$100,000
2. City with population of 8,000 to 19,999 \$200,000
3. City with population of 19,999 and over one (1) branch may be authorized for every two hundred fifty thousand dollars (\$250,000) of capital and surplus.

Said population is to be determined by the last census or any future census of the United States;

(b) No such corporation shall be permitted to establish a branch in any incorporated city, other than in the city in which either the principal office or an existing branch office which has been annexed into the city or acquired by merger is located, in which there is an existing bank, *unless any such existing bank has a branch in or within one-half (1/2) mile of an incorporated city within which such corporation has its principal office.* Nor shall any such corporation be permitted to establish a branch in any unincorporated area within a radius of one (1) mile of an existing bank located in such unincorporated area. As used in this subsection, an "existing bank" shall mean the principal office of a bank as distinguished from a branch thereof;

(c) The permission to open a branch shall lapse one (1) year after the commissioner has rendered a final order, as defined in KRS 287.062, unless it shall have been opened and business actually begun in good faith. If, for reasons beyond the control of the applicant, the branch is not opened within this time period, permission to open the branch may, with the approval of the commissioner, be extended for whatever period of time he deems to be necessary; and

(d) An application to establish a branch office shall be approved or disapproved by the commissioner based upon the facts existing at the date of filing of the application, except for the financial condition of the bank proposing to establish a branch office, which condition shall be subject to review until an order ruling on the application is made.

(3) Any corporation which on January 1, 1966, was engaged in operating an agency or branch bank, may continue to retain and operate the same under the general banking laws, and the requirements set forth in this section in respect to capital shall not apply to any such existing agency or branch bank but only as to those agencies or branch banks which may be established in the future pursuant to the terms of this section.

(4) The provisions of this section shall not be construed to prohibit the merger of banks in the same county and the operation by the merged corporation of such banks, nor to prohibit the sale of any bank to, and the purchase thereof by, any other bank in the same county and the operation of such bank by the purchasing bank as a branch, provided the commissioner shall determine that the public convenience and necessity will be served by such operation, and provided further that, at the time of such merger or purchase, each of the banks involved shall have been in operation for a period of five (5) years or more. The bank which does not survive the merger must surrender its charter.

(5) Any national banking association or any state bank member of the federal reserve system whose principal office is located in this state is hereby authorized to do all things and perform all acts which state banks are permitted to do or perform under this section, subject to the conditions and restrictions provided for banks as to exercise of such powers.

(6) When a branch or agency bank has once been established any operation thereof shall not be discontinued, and said branch or agency bank shall not be closed until after ninety (90) days' notice in writing to the commissioner. In the discretion of the commissioner said branch or agency bank proposing to discontinue operation may be required to give notice of the date when such operation will cease.

Section 7. KRS 287.290 is amended to read as follows:

In the case of obligations to banks and trust companies, the limitations and restrictions of KRS 287.280 shall not apply to:

- (1) Obligations of the United States or of the state of Kentucky:

(2) Obligations guaranteed as to principal and interest by the United States or the state of Kentucky; or all obligations to the extent secured or covered by guarantees or by commitments or agreements to take over or to purchase the same made by any federal reserve bank or by the United States or by any department, bureau, board, commission or establishment of the United States, including any corporation wholly owned directly or indirectly by the United States; or consolidated bonds issued by or for federal land banks or consolidated debentures issued by or for federal intermediate credit banks under the act of congress known as the "Federal Farm Loan Act," and amendments thereto; or consolidated debentures issued by or for banks for cooperatives under the act of congress known as the "Farm Credit Act of 1933," and amendments thereto; or obligations issued by the federal home loan banks; or obligations which are insured by the federal housing administrator pursuant to title 12, section 1713, United States Code, if the debentures to be issued in payment of such insured obligations are guaranteed as to the principal and interest by the United States; or obligations of national mortgage associations; ~~[except that the commissioner may make, alter and repeal regulations respecting the total liabilities of any person which:~~

- (a) ~~Are secured by direct obligations of the United States or the state of Kentucky, and~~
- (b) ~~Have a face value at least equal to the amount of such liabilities, and~~
- (c) ~~Will mature within five (5) years from the date such liabilities were incurred.]~~

(3) Obligations of Kentucky counties and school districts incurred through borrowing in anticipation of the current year's tax receipts as authorized by KRS 68.320 and 160.540;

(4) *Loans or extensions of credit fully secured by:*

(a) *General obligations of the state of Kentucky or any political subdivision or agency thereof or of any county, city or urban-county government;*

(b) *Bonds, notes, certificates of indebtedness, or treasury bills of the United States or such other instruments as are fully guaranteed as to principal and interest by the United States; or*

(c) *Segregated deposit accounts or certificates of deposit in the lending bank or trust company; or*

(5) *Loans or extensions of credit to or secured by unconditional takeout commitments or guarantees of any department, agency, bureau, board, commission, or establishment of the United States or any corporation wholly owned directly or indirectly by the United States. This exception may apply to only that portion of a loan or extension of credit that is covered by the federal guarantee or commitment.*

Section 8. KRS 287.440 is amended to read as follows:

(1) The commissioner shall appoint a sufficient number of examiners ~~[and assistant examiners]~~ to examine all institutions coming under the supervision of the department. A salary schedule for examiners ~~[and assistant examiners]~~ shall be prepared by the commissioner and presented to the secretary of the finance and administration cabinet for approval. In the event an advisory state banking board is established by law, the appointment and compensation of examiners ~~[and assistant examiners]~~ shall be with the advice of such board.

(2) The commissioner, the deputy commissioner, ~~the director of the division of banking~~ and each examiner shall take the constitutional oath of office.

(3) *No employe of the department* ~~[Neither the commissioner, nor the deputy commissioner, nor any examiner or assistant examiner]~~ shall become ~~[be]~~ indebted directly or indirectly either as borrower, indorser, surety or guarantor, to any bank or trust company under the department's ~~[his]~~ supervision ~~except upon the same terms and conditions which any other person may become indebted or obligated~~ ~~[or subject to his examination]~~, nor ~~[shall he]~~ be a director, officer or employe in such bank or trust company; ~~nor engage or become interested in the sale of securities as a business or in the negotiation of loans for others~~. *Employes of the department shall report any such indebtedness to the commissioner in writing.*

(4) No person shall be assigned to examine the affairs of any bank or trust company *to which he has become indebted or in a county in which he holds stock in either a state or national bank or trust company.*

Section 9. KRS 287.450 is amended to read as follows:

(1) Every bank or trust company doing business under the laws of this state shall be subject to *investigation* [inspection] by the commissioner or by an examiner appointed by the commissioner. Examination shall be made of every bank and trust company at least once every twenty-four (24) months and not more than twice unless it appears from examination or from the reports of the bank or trust company that it has failed to comply with laws or regulations relating to banks or trust companies.

(2) The commissioner, deputy commissioner and each examiner may compel the appearance of any person for the purpose of the examination, which shall be made in the presence of one (1) of the officers of the bank or trust company being examined.

(3) Any bank that becomes a member of a Federal Reserve Bank shall be subject to the examination required by the Federal Reserve Act, (38 Stat. 251) as amended, and the commissioner may, in his discretion, accept examinations made by the federal reserve authorities in lieu of examinations made under state laws. The commissioner shall furnish to the federal reserve agent of the district in which the member bank is situated, copies of reports and examinations made of the member bank.

(4) *The commissioner may examine or inspect the records of any affiliate which has engaged in covered transactions with the bank. The terms "affiliate" and "covered transaction" in this subsection have the meanings contained in Section 23A of the Federal Reserve Act, 12 U.S.C. Section 371C, as amended.*

Section 10. KRS 287.470 is amended to read as follows:

(1) Reports of examination of a bank or trust company shall be considered confidential information. No officer or director of a bank or trust company, [or] employe of the department, *or employe of a state or federal regulatory authority* shall release any information contained in the examination, except when:

(a) Required in a proper legal proceeding in which a subpoena and protective order insuring confidentiality has been issued by a court of competent jurisdiction; or

(b) The information is referred to an appropriate prosecuting attorney for possible criminal proceedings, to outside persons providing professional services to the bank, or to outside persons for the purpose of evaluating the bank for possible acquisition. Reports of examination released to outside persons providing professional services to the bank or for the purpose of evaluating the bank for possible acquisition, shall require a written request from such outside persons and prior approval by the board of directors or an executive committee of the bank.

(2) The department may furnish to and exchange information and reports with officials and examiners of other properly authorized state or federal regulatory authorities, including the federal deposit insurance corporation, the federal reserve board and the office of the comptroller of the currency.

(3) Every official report concerning a bank or trust company, and every report of examination, shall be prima facie evidence of the facts therein stated for all purposes in any action in which the department, bank or trust company is a party.

Section 11. KRS 287.480 is amended to read as follows:

The following fees shall be paid to the commissioner by corporations engaged in a banking or trust business:

(1) For the investigation incident to the approval of articles of incorporation and to the approval of applications for branch banks *and change of location for a branch bank or principal office*, the fee shall be sufficient to cover the cost of the investigation based upon fair compensation for time and actual expense;

(2) For each report, a filing fee of twenty-five dollars (\$25);

(3) For each bank subject to inspection and examination by the commissioner, an annual assessment based on the assets of such banks, other than assets held by it in a fiduciary capacity, as reported to the department by the banks as of the thirty-first day of December of the previous year. The assessment schedule

shall be at such rates as the commissioner shall determine to be necessary to carry out the duties of the department and shall be reasonably related to the costs (other than costs of examination) incurred by the department in regulating banks. The assessments for any one (1) year shall not exceed a sum equal to five cents (5) per each one thousand dollars (\$1,000) and any fraction thereof of the total non-trust assets:

(4) For any examinations under KRS 287.450, a fee shall be collected sufficient to cover the cost of the examination based upon fair compensation for time and actual expense;

(5) For the examination of the assets held by the institution in a fiduciary capacity, the fee shall be sufficient to cover the cost of the investigation based upon fair compensation for time and actual expense. The commissioner may accept examinations made of the trust department in combined banks and trust companies by examiners for the federal reserve system, federal deposit insurance corporation, or a certified public accountant; and

(6) Extraordinary services performed, in addition to examinations, for any financial institution, ~~[including institutions in liquidation under the supervision of the commissioner;]~~ shall be paid for by such institution upon the basis of fair compensation for time and actual expense.

Section 12. KRS 287.900 is amended to read as follows:

(1) For purposes of this section and KRS 287.905:

(a) "Bank" means any institution organized under this chapter, the banking laws of another state or the National Bank Act, as amended, to do a banking business. However, it shall not include an "interim bank" chartered solely for the purpose of facilitating the acquisition of an existing bank unless the existing bank has been in existence for less than five (5) years;

(b) "Bank holding company," "company," and "control" have the meanings accorded them in the federal Bank Holding Company Act of 1956, as amended (12 U.S.C. section 1841, et seq.). "Control" may be acquired by acquisition of voting securities, by purchase of assets, by merger or consolidation, by contract, or otherwise;

(c) "Individual" means a natural person, partnership, association, business trust, voting trust, or similar organization. Individual does not include a corporation; and

(d) "Deposit" has the meaning accorded it in the Federal Deposit Insurance Act, as amended, and regulations promulgated thereunder; excluded, however, from deposits are all interbank deposits and all deposits in foreign branches and international banking facilities, as shown in the reports made by all banks to their respective supervisory authorities.

(e) A bank holding company shall be deemed to be located or have its principal place of business in the state or other jurisdiction in which the total deposits of all the bank holding company's banking subsidiaries are largest but it shall be subject to the regulatory authority of the department.

(f) A bank which is the result of a merger, consolidation or conversion shall be deemed to have been in existence since the earliest date any of the constituent institutions to the merger, consolidation or conversion came into existence.

(g) A bank which is organized for the purpose of acquiring substantially all the assets and assuming substantially all of the liabilities of a bank, savings and loan association, savings bank, or the main office and one (1) or more branch offices thereof shall be deemed to have been in existence since the bank, savings and loan association, savings bank, or the oldest of such offices, respectively, came into existence.

(2) Any individual, or any bank holding company having its principal place of business in this state, may acquire control of one (1) or more banks or bank holding companies wherever located, except that no individual, who on July 13, 1984, controls a bank or bank holding company wherever located, and no bank holding company wherever located, may acquire, directly or indirectly, control of a bank having its principal place of business in this state if the bank was chartered after July 13, 1984, and if, at the time of the acquisition, the bank has been in existence less than five (5) years. The provisions of this subsection shall not prohibit the organization of a one (1) bank holding company for the purpose of acquiring control of a bank even if the bank was chartered after July 13, 1984, and has been in existence less than five (5) years at the time

of the acquisition.

(3) (a) No individual or bank holding company wherever located may acquire control of any bank or bank holding company if, upon the acquisition, the individual or bank holding company would control banks in this state holding more than the percentage stated in paragraph (b) of this subsection [~~fifteen percent (15%)~~] of the total deposits in all banks in this state as reported in the most recent year-end reports made by the banks to their respective supervisory authorities which are available at the time of the acquisition.

(b) The percentage of total deposits allowed by paragraph (a) of this subsection shall be as follows:

1. Sixteen percent (16%) from July 15, 1988, through July 14, 1989; and
2. Seventeen and one-half percent (17 1/2%) thereafter.

(4) (a) Except as provided in paragraph (b) of this subsection, during the period expiring ten (10) [~~five (5)~~] years after July 13, 1984, no individual or company wherever located may, directly or indirectly, by merger, consolidation, purchase or any other means, acquire control of a bank or bank holding company if as a result thereof such individual or company would acquire control of more than three (3) banks in this state during any twelve (12) month period subsequent to July 13, 1984. In any of the twelve (12) month periods subsequent to July 13, 1984, in which the maximum allowable three (3) acquisitions are not used, the unused acquisitions shall be accumulated and may be used at any time during the remaining ten (10) year period provided in this subsection;

(b) Provided, however, a bank holding company wherever located, may acquire control of a bank holding company which has its principal place of business in this state and which controls more than three (3) banks located in this state under conditions approved by the commissioner which would require the following:

1. That an acquisition made under this subsection shall be limited to only two (2) acquisitions of bank holding companies subsequent to July 13, 1984 [~~one (1) acquisition~~];
2. That the banks acquired in excess of the three (3) bank per year limitation included in this acquisition shall be counted first against any of the previous twelve (12) month acquisition periods in which the maximum allowable three (3) acquisitions were not used and then against current and succeeding twelve (12) month acquisition periods during the remainder of the ten (10) year period provided in this subsection [~~against future acquisitions during the remaining five (5) year period provided in this subsection~~]; and
3. That the total [~~bank~~] acquisitions of banks located in this state by a bank holding company shall not exceed in the aggregate thirty (30) [~~fifteen (15)~~] banks during the ten (10) [~~five (5)~~] year period provided in paragraph (a) of this subsection.

(5) The limitations set forth in this section or any other provision of this chapter or any regulation promulgated thereunder, as now in effect or amended after July 13, 1984, shall not apply to the acquisition of a bank if, in his discretion, the commissioner, if the bank is organized under the laws of this state, or the comptroller of the currency, if the bank is a national bank, determines that an emergency exists and the acquisition is appropriate in order to prevent the probable failure of the bank which is closed or is in danger of closing.

(6) (a) Any bank holding company having its principal place of business in a state other than [~~which is contiguous to~~] this state may acquire control of any bank or bank holding company having its principal place of business in this state, if the state wherein the bank holding company has its principal place of business shall authorize the acquisition of control of a bank or bank holding company in that state by a bank holding company having its principal place of business in this state under conditions substantially no more restrictive than those imposed by this section.[:]

[(b) From and after two (2) years after July 13, 1984, any bank holding company having its principal place of business in a state other than a state which is contiguous to this state may acquire control of any bank or bank holding company having its principal place of business in this state, if the state wherein the bank holding company has its principal place of business shall authorize the acquisition of control of a bank or bank holding company in that state by a bank holding company having its principal place of business in this state under conditions substantially no more restrictive than those imposed by this section; and

(c) For the purposes of this subsection, a bank holding company shall be deemed to be located or have its principal place of business in the state or other jurisdiction in which the total deposits of all the bank holding company's banking subsidiaries are largest.]

(7) The provisions of this section shall not be construed to prohibit or restrict the merger or consolidation of banks or bank holding companies having their principal places of business in the same county and the operation by the merged or consolidated corporation of the banks, nor to prohibit the sale of any bank or bank holding company to, and the purchase thereof by, any other bank or bank holding company with its principal place of business in the same county and the operation of the bank as a branch so long as the provisions of KRS 287.180(4) have been satisfied.

(8) A depositor with an account at a bank located in this state and controlled by a bank holding company may make deposits and withdrawals on its account at any of the bank holding company's affiliated banks located in this state.

Section 13. KRS 287.905 is amended to read as follows:

(1) Any bank holding company which proposes to acquire control of a bank chartered in this state, *any* ~~[or a]~~ bank holding company which *controls* ~~[includes]~~ a bank chartered in this state, *or any bank holding company having its principal place of business in this state that controls a state chartered bank which proposes to acquire control of a bank or bank holding company located in another state,* shall concurrently file with the commissioner copies of the application filed with the federal reserve board under applicable federal law. The commissioner shall approve such acquisition within ninety (90) days of acceptance of a complete application if he finds that:

(a) The terms of the acquisition are in accordance with the laws of this state;

(b) The financial condition, or the competence, experience and integrity of the acquiring company or its principals are such as will not jeopardize the financial stability of the acquired bank or bank holding company;

(c) The public convenience and advantage will be served by the acquisition; and

(d) No federal regulatory authority whose approval is required has disapproved the transaction because it would result in a monopoly or substantially lessen competition.

(2) A non-refundable fee shall accompany each application and shall be set by the commissioner in accordance with KRS 287.480.

(3) The commissioner may examine or elect to participate in a joint examination, with the applicable federal or state regulatory agency, of any holding company or nonbank subsidiary of the holding company that controls or is affiliated with a state-chartered bank.

(4) The commissioner may enter into cooperative agreements with federal or state regulatory authorities to examine an out-of-state bank that is controlled by a Kentucky bank holding company or is controlled by a bank holding company which includes a state-chartered bank, or accept reports of examinations of such out-of-state banks from federal or state regulatory authorities in lieu of conducting examinations.

(5) The commissioner may enter into cooperative agreements with federal or state regulatory authorities to exchange confidential information and reports of examination relating to interstate acquisitions of banks and bank holding companies.

(6) The cost of an examination shall be assessed against and paid by the company examined. The assessment for the examination shall be calculated in the same manner as that used for bank examinations.

Section 14. KRS 287.990 is amended to read as follows:

(1) Any person who violates subsection (2) of KRS 287.030 shall be fined not less than five hundred dollars (\$500) nor more than one thousand dollars (\$1,000) for each day he is engaged in the private banking

business.

(2) Any institution that fails to make the report required by KRS 287.420 to the commissioner within five (5) days after the report is due or demanded, or that fails to have the report published as required by KRS 287.420, shall pay a penalty of two hundred dollars (\$200).

(3) If any person violates subsection (3) of KRS 287.440 his office shall ipso facto become vacant. The president or cashier of any bank or trust company to which any person becomes indebted in violation of subsection (3) of KRS 287.440 shall immediately report such fact to the commissioner, who shall remove the person so offending.

(4) Any receiver of an insolvent institution who fails to comply with the provisions of this chapter shall be subject to the same penalties provided for solvent institutions and officers so offending.

(5) Any directors of a bank who knowingly violate, or knowingly permit any officer or employe of the bank to violate, any of the laws relating to banks, shall be jointly and severally liable to the creditors and stockholders for any loss or damage resulting from such violation. If the loss or damage is not made good within a reasonable time, the commissioner, with the consent of the attorney general, shall institute proceedings to revoke the corporate powers of the bank.

(6) Any deputy commissioner, *director of the division of banking* or any examiner who has knowledge of the insolvency or unsafe condition of a state bank or trust company, or that it is inexpedient to permit the bank or trust company to continue business, and who fails to immediately present a signed report of such facts to the commissioner, or who violates any of the provisions of this chapter, shall forfeit his office and shall be fined not less than one hundred (\$100) nor more than two thousand dollars (\$2,000) for each offense.

(7) Any commissioner who has knowledge of the insolvency or unsafe condition of a state bank or trust company, or that it is inexpedient to permit the bank or trust company to continue business, and who willfully fails to take the action prescribed by this chapter, or who violates any of the provisions of this chapter, shall forfeit his office and shall be fined not less than five hundred (\$500) nor more than five thousand dollars (\$5,000) for each offense.

(8) Any bank or trust company that knowingly fails to make a report required by law or by the commissioner within the time designated for the making thereof, or fails to include in such report any matter required by law or by the commissioner, or fails to publish a report within thirty (30) days after it should have been published, or fails to pay when due the fees for filing reports or for an examination of the bank, shall be subject to a penalty of one hundred dollars (\$100) for each day of delinquency, but the aggregate penalty for each kind of offense shall not exceed one thousand dollars (\$1,000).

(9) Each person, bank or trust company that willfully makes or transmits a false report or refuses to submit its books, papers and assets for examination, or any officer of a bank who refuses to be examined under oath concerning the affairs of the bank, shall be severally fined not less than five hundred dollars (\$500) nor more than five thousand dollars (\$5,000).

(10) If [~~Whenever~~] any fine imposed by subsection (1), (2), (4), (6), (7), (8), (9) (15), (16), (17), [~~or~~] (18), (19) or (20) of this section is not paid, the attorney general shall institute an action, in the name of the state, in the Franklin Circuit Court or the circuit court of the county in which the offense was committed, for the recovery of the fine.

(11) Any person violating any of the provisions of KRS 287.225 shall be guilty of a misdemeanor and fined not less than fifty dollars (\$50) nor more than two thousand dollars (\$2,000).

(12) Any person who willfully makes charges in excess of those permitted by KRS 287.720 to 287.770 shall be guilty of a misdemeanor and upon conviction shall be punished by a fine not exceeding five hundred dollars (\$500) or by imprisonment for not more than six (6) months, or both.

(13) Any bank which violates any provision of KRS 287.720 to 287.770, except as a result of an accidental or bona fide error shall be barred from the recovery of any finance charges permitted by KRS 287.740 and 287.750, and the debtor, or his legal representatives, may recover back, in an action against the bank, any

amounts paid to the bank on account of such finance charge; provided such action is commenced within two (2) years from the date such violation first occurred; but the bank may nevertheless recover from the debtor an amount equal to the principal of extensions of credit made pursuant to a revolving credit plan and any charges not prohibited by KRS 287.760.

(14) Notwithstanding the provisions of subsections (12) and (13) of this section, any failure, other than a willful and intentional failure, to comply with any provisions of KRS 287.710 to 287.770 may be corrected during the billing cycle next succeeding the receipt by the bank of written notice thereof from the debtor, and if so corrected, the bank shall not be subject to any penalty under KRS 287.710 to 287.770.

(15) Any bank or trust company which violates or any officer, director, employee, agent, or other person participating in the conduct of the affairs of a bank who violates the terms of any order issued under KRS 287.690 which has become final shall forfeit and pay a fine of not more than one thousand dollars (\$1,000) per day for each day such violation continues. The fine shall be assessed by the commissioner by written notice. [As used in this subsection, the term "violates" includes any action causing, participating in, counseling, aiding or abetting a violation.] In determining the amount of the fine the commissioner shall consider the financial resources and good faith of the bank or person charged, the gravity of the violation, the history of previous violations and such other factors as justice requires.

(16) Any bank which violates the provisions of KRS 287.065(3) shall be fined not less than one hundred dollars (\$100) nor more than five hundred dollars (\$500). The fines shall be assessed by the commissioner by written notice.

(17) Any bank or officer or director thereof who ~~[which]~~ violates any provisions of KRS 287.100(2) or (10) may be fined not less than one thousand dollars (\$1,000) nor more than two thousand dollars (\$2,000) for the first violation, and shall be fined not less than two thousand dollars (\$2,000) nor more than five thousand dollars (\$5,000) for any subsequent violations.

(18) Any officer or director of a bank who violates the provisions of KRS 287.280(1) may ~~[and (3) shall]~~ be fined not less than one hundred dollars (\$100) nor more than five hundred dollars (\$500) for each violation, and any officer or director who violates the provisions of KRS 287.280(2) shall be fined not less than five hundred dollars (\$500) nor more than two thousand dollars (\$2,000) for each violation. The fine shall be assessed by the commissioner by written notice.

(19) Any person who wilfully violates the provisions of KRS 287.095(1) may be fined not more than one thousand dollars (\$1,000) per day for each day the violation continues.

(20) Any bank, officer or director thereof or other person who violates any section of KRS Chapter 287 not covered in subsections (1) through (19) of this section, may be fined not less than one hundred dollars (\$100) nor more than five hundred dollars (\$500) for each violation.

(21) As used in this subsection, the term "violates" includes any action causing, participating in, counseling, aiding or abetting a violation.

SECTION 15. A NEW SECTION OF KRS CHAPTER 287 IS CREATED TO READ AS FOLLOWS:

As used in this chapter, unless the context requires otherwise:

(1) "Cash dispensing machine" means an electronic terminal other than a point-of-sale terminal or full function electronic terminal which dispenses United States currency. An electronic terminal that dispenses only scrip, coupons or similar items is not a cash dispensing machine.

(2) "Customer" means, with respect to a bank, a depositor or borrower of the bank who effects an electronic fund transfer.

(3) "Electronic fund transfer" means any transfer of funds or account information, other than a transaction originated by check, draft or similar paper instrument, that is initiated through an electronic terminal, telephone, or computer or magnetic tape, for the purpose of ordering, instructing, or authorizing a bank to debit or credit one (1) or more customer accounts. The term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, direct deposits or withdrawals of funds, and transfers initiated by telephone.

(4) "Electronic terminal" means an electronic device through which a customer may initiate an electronic fund transfer. The term includes, but is not limited to, point-of-sale terminals, automated teller machines, and cash dispensing machines.

(5) "Full function electronic terminal" means an electronic terminal which accepts paper based deposits.

(6) "Paper based deposits" means deposits effected through the transfer or delivery by a customer of paper currency, coin or check, draft or similar paper instrument.

(7) "Point-of-sale terminal" means an electronic terminal which effects a point-of-sale transaction and which does not accept paper based deposits and either dispenses goods or non-banking services or is located on the premises of an enterprise or business engaged in the providing of goods or non-banking services.

(8) "Point of sale transaction" means an electronic fund transfer initiated through a point-of-sale terminal from a customer's account to an account at any bank to effect payment for the purchase of goods or services.

(9) "Public electronic terminal" means an electronic terminal other than a point-of-sale terminal or a telephone which is deployed in a public place for use by members of the general public.

SECTION 16. A NEW SECTION OF KRS CHAPTER 287 IS CREATED TO READ AS FOLLOWS:

(1) Subject to the provisions of subsection (2) of this section, a bank may own, establish, use or share or operate electronic terminals located anywhere within or outside of this state and the electronic terminals shall not be considered branches within the meaning of this chapter.

(2) A bank may use or share, but shall not own or establish, except as the lessor in a financing lease with an unaffiliated lessee, a full-function electronic terminal or cash dispensing machine, located in this state outside of the geographic area within which the bank may establish or operate a branch.

(3) Subject to the provisions of subsections (4), (5) and (6) of this section, a bank may effect electronic fund transfers upon receipt of any order, instruction or authorization to do so from its customers.

(4) Notwithstanding any provision of this chapter other than subsection (8) of this section, a bank shall not accept paper-based deposits initiated at any electronic terminal which is located in this state outside of the geographic area within which the bank may establish or operate a branch.

(5) A bank shall not effect an electronic fund transfer of funds from the account of a customer to an account at another bank initiated at a full-function electronic terminal, cash dispensing machine or public electronic terminal which is located in this state outside the geographic area within which the bank may establish or operate a branch.

(6) A bank shall not effect any of the following types of electronic funds transfers if they are initiated at a point-of-sale terminal located in this state outside the geographic area within which the bank may establish or operate a branch:

(a) The transfer of funds except in connection with a point-of-sale transaction; or

(b) The dispensing of cash to a customer, except in connection with a point-of-sale transaction.

(7) No later than January 31 of each year, any bank organized under this chapter shall give the commissioner a written report listing any electronic terminal which the bank first used, shared or operated during the preceding year. The report shall set forth the type and location of the electronic terminal and any other information the commissioner may request. If an electronic terminal is established, used, shared or operated by two (2) or more banks, the giving of the report required by or on behalf of any one (1) of the banks, listing all of the banks which have established, used, shared or operated the electronic terminal, shall constitute compliance with this section for all the banks.

(8) A bank may continue to own, operate, share, maintain or use, at the place where located on December 31, 1987, any electronic terminal which was in operation under the authority of regulations of the commissioner

on December 31, 1987.

(9) Notwithstanding the provisions of this section or any other law, a bank may effect any electronic fund transfer or establish, own, operate, share or use an electronic terminal to the extent allowed national banking associations.

SECTION 17. A NEW SECTION OF KRS CHAPTER 287 IS CREATED TO READ AS FOLLOWS:

(1) As used in this section, "trust business" means the exercise of all rights, powers, and duties of a bank or trust company as provided in this chapter, including but not limited to acting as trustee, guardian, executor, administrator, conservator, agent, custodian or arising from having been named or designated as one (1) or more of the foregoing in any will or other writing whenever executed.

(2) If a bank holding company causes an affiliate or subsidiary it controls, which is qualified to conduct trust business in this state, to succeed to part or all of the trust business of any other affiliate or subsidiary, also so qualified in this state, of the same bank holding company, the successor shall act in place of the predecessor with all the rights, powers, and duties which were granted to or imposed on the predecessor.

(3) The rights, powers and duties of the predecessor affiliate or subsidiary remain unimpaired and continue in the successor, from the time of the taking effect of the succession, irrespective of the date when the relation was established, and irrespective of the date of any related trust agreement or of the date of death of any decedent whose estate is being so administered. Nothing done in connection with the succession shall effect a removal, renunciation or resignation from the executorship, trusteeship, or any other fiduciary relationship.

(4) The successor shall notify the commissioner in writing of such succession. This writing shall serve as notice to the department as to the identity of the successor. Furthermore, in all instances where the predecessor was acting pursuant to order of court, the successor shall notify the court in writing of the succession.

Section 18. KRS 291.115 is amended to read as follows:

(1) Stockholders in investment companies shall be liable equally and ratably, and not one for the other, for all contracts and liabilities of the company to the extent of the amount of their stock at par value, in addition to the amount of such stock.

(2) Persons holding stock as fiduciaries shall not be personally liable as stockholders, but the estates in their hands shall be liable the same as the property of other stockholders.

(3) No transfer of stock shall release any such liability existing at the time of the transfer if the action to enforce such liability is commenced within two (2) years from the time of transfer.

(4) The liability of stockholders provided by this section may be enforced as provided in KRS Chapter 287 [287.365] for stockholders of banks and trust companies.

Section 19. KRS 287.040 is amended to read as follows:

(1) Any five (5) or more persons may organize a banking corporation.

(2) Any seven (7) or more persons may organize a corporation for the purpose of conducting a trust business.

(3) Any five (5) [seven (7)] or more persons may organize a corporation for the purpose of conducting a combined banking and trust business.

(4) The board of directors of a banking corporation, trust corporation or combined bank and trust corporation shall be no less than the required number of incorporators.

Section 20. The following KRS sections are repealed:

287.325 Advertising notice required where not federally insured.

287.360 Double liability for certain stock issued prior to May 16, 1936.

287.365 Enforcement of stockholders' liability."

Floor Title Amendment to **SB 29**, by Representative Stumbo:

Amend printed copy of GA Copy of **SB 29** by deleting the title and inserting in lieu thereof "AN ACT relating to banking."

Floor Amendment No. 1 to **SB 37**, by Representative Gregory:

Amend printed copy of GA Copy of **SB 37** on page 4, line 19, by deleting all language after "(b)"; and

on page 4, by deleting lines 20 and 21; and

on page 4, line 22, by deleting "(c)"; and

on page 5, line 23, by deleting "both" and "and the volunteer"; and

on page 5, line 24, by deleting "fire protection association"; and

on page 6, by deleting lines 11 through 17.

Floor Amendment No. 1 to **SB 42**, by Representative Hancock:

Amend printed copy of GA Copy of **SB 42** on page 5, line 21, by inserting "1988" after "July 1." and placing brackets around and striking through "1986";

On page 5, line 22, by inserting "1987" after "July 1." and placing brackets around and striking through "1985";

On page 5, line 24, by inserting "two percent (2%)" and placing brackets around and striking through "one percent (1%)";

On page 5, lines 25 and 26, by placing brackets around and striking through "for each year the member has been retired up to a maximum of five (5) years";

On page 6, line 4, by inserting "1988" after "July 1." and striking through and placing brackets around "1987";

On page 6, line 5, by inserting "1988" after "July 1." and striking through and placing brackets around "1986";

On page 6, line 7, by inserting "two percent (2%)" and striking through and placing brackets around "three percent (3%)".

Floor Amendment No. 4 to **SB 130**, by Representative B. Smith:

Amend printed copy of **SB 130** on page 1, line 12, after "Section 2." insert the following:

"It is proposed that Section 30 of the Kentucky Constitution be amended to read as follows:

Members of the House of Representatives and Senators shall be elected at the general election in even-numbered years for terms of *six* [four] years for Senators and *four* [two] years for members of the House

of Representatives. The term of office of Representatives and Senators shall begin upon the first day of January of the year succeeding their election.

Section 3. It is proposed that Section 31 of the Kentucky Constitution be amended to read as follows:

At the general election to be held in November, *nineteen hundred and eighty-eight* [1984], and in even-numbered [every two] years thereafter, there shall be elected for *six* [four] years one Senator in each Senatorial District in which the term of his predecessor in office will then expire and for *four years one Representative* in every Representative District in which the term of his predecessor in office will then expire [one Representative for two years].

Section 4. It is proposed that Section 95 of the Constitution of Kentucky be amended to read as follows:

The election under this Constitution for Governor, Lieutenant Governor, Treasurer, Auditor of Public Accounts, Register of the Land Office, Attorney-General, Secretary of State, Superintendent of Public Instruction, and Commissioner of Agriculture, Labor and Statistics, shall be held on the first Tuesday after the first Monday in November, *nineteen* [eighteen] hundred and *ninety-two* [ninety-five], and the same day every four years thereafter.

Section 5. It is proposed that Section 97 of the Constitution of Kentucky be amended to read as follows:

[At the general election in *eighteen hundred and ninety-two* there shall be elected in each circuit court district a Commonwealth's Attorney, and in each county a Clerk of the Circuit Court, who shall enter upon the discharge of their respective offices on the first Monday in January after their election, and shall hold their offices five years, and until their successors are elected and qualified.] In the year *nineteen* [eighteen] hundred and *ninety-four* [ninety-seven], and every six years thereafter, there shall be an election in each county for a Circuit Court Clerk, and for a Commonwealth's Attorney, in each circuit court district, unless that office be abolished, who shall hold their respective offices for six years from the first Monday in January after their election, and until the election and qualification of their successors.

Section 6. It is proposed that Section 99 of the Constitution of Kentucky be amended to read as follows:

At the general election in *nineteen hundred and ninety-four* and every four years thereafter, there shall be elected in each county a Judge of the County Court, a County Court Clerk, a County Attorney, Sheriff, Jailer, Coroner, Surveyor and Assessor, and in each Justice's District one Justice of the Peace and one Constable, who shall enter upon the discharge of the duties of their offices on the first Monday in January after their election, and who shall hold their offices four years until the election and qualification of their successors.

Section 7. It is proposed that Section 148 of the Constitution of Kentucky be amended to read as follows:

Not more than one election each year shall be held in this State or in any city, town, district, or county thereof, except as otherwise provided in this Constitution. All regular elections of State, county, city, town or district officers shall be held on the first Tuesday after the first Monday in November 1990 and in even-numbered years thereafter [; but no officer of any city, town, or county, or of any subdivision thereof, except members of municipal legislative boards, shall be elected in the same year in which members of the House of Representatives of the United States are elected. District or State officers, including members of the General Assembly, may be elected in the same year in which members of the House of Representatives of the United States are elected]. All elections by the people shall be between the hours of six o'clock a.m. and seven o'clock p.m., but the General Assembly may change said hours, and all officers of any election shall be residents and voters in the precinct in which they act. The General Assembly shall provide by law that all employers shall allow employes, under reasonable regulations, at least four hours on election days, in which to cast their votes.

Section 8. It is proposed that Section 160 of the Constitution of Kentucky be amended to read as follows:

The Mayor or Chief Executive, Police Judges, members of legislative boards or councils of towns and cities shall be elected by the qualified voters thereof: Provided, The Mayor or Chief Executive and Police Judges of the towns of the fourth, fifth and sixth classes may be appointed or elected as provided by law. The terms of office of Mayors or Chief Executives and Police Judges shall be four years, and until their successors shall be qualified, and of members of legislative boards, *four* [two] years. When any city of the

first or second class is divided into wards or districts, members of legislative boards shall be elected at large by the qualified voters of said city, but so selected that an equal proportion thereof shall reside in each of the said wards or districts; but when in any city of the first, second or third class, there are two legislative boards, the less numerous shall be selected from and elected by the voters at large of said city; but other officers of towns or cities shall be elected by the qualified voters therein, or appointed by the local authorities thereof, as the General Assembly may, by a general law, provide; but when elected by the voters of a town or city, their terms of office shall be four years, and until their successors shall be qualified. No Mayor or Chief Executive of any city of the first or second class, after the expiration of three successive terms of office to which he has been elected under this Constitution shall be eligible for the succeeding term. No fiscal officer of any city of the first or second class, after the expiration of the term of office to which he has been elected under this Constitution, shall be eligible for the succeeding term. "Fiscal officer" shall not include an Auditor or Assessor, or any other officer whose chief duty is not the collection or holding of public moneys. The General Assembly shall prescribe the qualifications of all officers of towns and cities, the manner in and causes for which they may be removed from office, and how vacancies in such offices may be filled.

Section 9. It is proposed that Section 209 of the Constitution of Kentucky be amended to read as follows:

A commission is hereby established, to be known as "The Railroad Commission," which shall be composed of three Commissioners. ~~[During the session of the General Assembly which convenes in December, eighteen hundred and ninety-one, and before the first day of June, eighteen hundred and ninety-two, the Governor shall appoint, by and with the advice and consent of the Senate, said three Commissioners, one from each Superior Court District as now established, and said appointees shall take their office at the expiration of the terms of the present incumbents. The Commissioners so appointed shall continue in office during the term of the present Governor, and until their successors are elected and qualified.]~~ At the regular election in ~~nineteen~~ ^{eighteen} hundred and ~~ninety-two~~ ^{ninety-five} and every four years thereafter the Commissioners shall be elected, one in each Superior Court District, by the qualified voters thereof, at the same time and for the same term as the Governor. No person shall be eligible to said office unless he be, at the time of his election, at least thirty years of age, a citizen of Kentucky two years, and a resident of the district from which he is chosen one year, next preceding his election. Any vacancy in this office shall be filled as provided in section 152 of this Constitution. The General Assembly may from time to time change said districts so as to equalize the population thereof; and may, if deemed expedient, require that the Commissioners be all elected by the qualified voters of the State at large. And if so required, one Commissioner shall be from each District. No person in the service of any railroad or common carrier company or corporation, or of any firm or association conducting business as a common carrier, or in anywise pecuniarily interested in such company, corporation, firm or association, or in the railroad business, or as a common carrier, shall hold such office. The powers and duties of the Railroad Commissioners shall be regulated by law; and, until otherwise provided by law, the Commission so created shall have the same powers and jurisdiction, perform the same duties, be subject to the same regulations, and receive the same compensation, as now conferred, prescribed and allowed by law to the existing Railroad Commissioners. The General Assembly may, for cause, address any of said Commissioners out of office by similar proceedings as in the case of Judges of the Court of Appeals; and the General Assembly shall enact laws to prevent the nonfeasance and misfeasance in office of said Commissioners, and to impose proper penalties therefor.

Section 10. It is proposed that Section 256 of the Constitution of Kentucky be amended to read as follows:

Amendments to this Constitution may be proposed in either House of the General Assembly at a regular session, and if such amendment or amendments shall be agreed to by three-fifths of all the members elected to each House, such proposed amendment or amendments, with the yeas and nays of the members of each House taken thereon, shall be entered in full in their respective journals. Then such proposed amendment or amendments shall be submitted to the voters of the State for their ratification or rejection at the next general election ~~[for members of the House of Representatives]~~, the vote to be taken thereon in such manner as the General Assembly may provide, and to be certified by the officers of election to the Secretary of State in such manner as shall be provided by law, which vote shall be compared and certified by the same board authorized by law to compare the polls and give certificates of election to officers for the State at large. If it shall appear that a majority of the votes cast for and against an amendment at said election was for the amendment, then the same shall become a part of the Constitution of this Commonwealth, and shall be so proclaimed by the Governor, and published in such manner as the General Assembly may direct. Said amendments shall not be submitted at an election which occurs less than ninety days from the final passage of such proposed amendment or amendments. Not more than four amendments shall be voted upon at any one time. If two or more amendments shall be submitted at the same time, they shall be submitted in such manner that the electors shall vote for or against each of such amendments separately, but an amendment may relate to a single subject or to related subject matters and may amend or modify as many articles and as many sections of the Constitution as may be necessary and appropriate in order to accomplish the objectives

of the amendment. The approval of the Governor shall not be necessary to any bill, order, resolution or vote of the General Assembly, proposing an amendment or amendments to this Constitution.

Section 11. It is proposed that the present Constitution of Kentucky be amended by repealing present Section 167 - Time of election of city officers and police judges; election years.

Section 12. It is further proposed as a part of this amendment and as a schedule of transitional provisions, for the purposes of this amendment, any other provision of the Kentucky Constitution notwithstanding:

(1) The term of office of governor; lieutenant governor; treasurer; auditor of public accounts; register of the land office; attorney general; secretary of state; superintendent of public instruction; commissioner of agriculture, labor and statistics; and railroad commissioners who were elected in 1987 shall serve a term of five years.

(2) The term of office of state senators who were elected in 1986 and who are elected in 1988 shall be for a term of six years.

(3) The term of office of state representatives who are elected in 1988 shall be for a four-year term.

(4) The term of office of court of appeals judges and of circuit court judges who were elected in 1983 shall be for a nine-year term.

(5) The term of office of commonwealth's attorneys and circuit court clerks who were elected in 1987 shall be for a term of seven years.

(6) The term of office of judge of the county court, county court clerk, county attorney, sheriff, jailer, coroner, surveyor, assessor, justice of the peace, and constable, who will be elected in 1989 shall be for a five-year term.

(7) The term of office of county commissioners who were elected in 1985 and in 1987 shall be for a five-year term.

(8) The term of office of mayors who were elected in 1987 shall be for a five-year term.

(9) The term of office of mayors who shall be elected in 1989 shall be for a five-year term.

(10) The term of office of municipal legislative body members who were elected in 1987 and who shall be elected in 1989 shall be for a five-year term.

(11) The term of office of any other elected official who is serving in office on the effective date of this amendment and whose term of office is scheduled to expire so that the office is scheduled to be on the ballot for reelection in an odd-numbered year shall have only that term of office extended for one year so that the election to be conducted for the office shall be conducted in an even-numbered year.

Section 13.

Floor Amendment No. 5 to Committee Substitute to SB 130, by Representative LeMaster:

Amend printed copy of SB 130/HCS on page 1, after line 12, by inserting the following:

"Section 2. It is proposed that Section 30 of the Constitution of Kentucky be amended to read as follows:

Members of the House of Representatives and Senators shall be elected at the general election in *odd* [even]-numbered years for terms of four years for Senators and two years for members of the House of Representatives. The term of office of Representatives and Senators shall begin upon the first day of January of the year succeeding their election.

Section 3. It is proposed that Section 31 of the Constitution of Kentucky be amended to read as follows:

At the general election to be held in November, 1991 ~~[1984]~~, and every two years thereafter, there shall be elected for four years one Senator in each Senatorial District in which the term of his predecessor in office will then expire and in every Representative District one Representative for two years.

Section 4. It is proposed that Section 256 of the Constitution of Kentucky be amended to read as follows:

Amendments to this Constitution may be proposed in either House of the General Assembly at a regular session, and if such amendment or amendments shall be agreed to by three-fifths of all the members elected to each House, such proposed amendment or amendments, with the yeas and nays of the members of each House taken thereon, shall be entered in full in their respective journals. Then such proposed amendment or amendments shall be submitted to the voters of the State for their ratification or rejection at the next general election ~~[for members of the House of Representatives]~~, the vote to be taken thereon in such manner as the General Assembly may provide, and to be certified by the officers of election to the Secretary of State in such manner as shall be provided by law, which vote shall be compared and certified by the same board authorized by law to compare the polls and give certificates of election to officers for the State at large. If it shall appear that a majority of the votes cast for and against an amendment at said election was for the amendment, then the same shall become a part of the Constitution of this Commonwealth, and shall be so proclaimed by the Governor, and published in such manner as the General Assembly may direct. Said amendments shall not be submitted at an election which occurs less than ninety days from the final passage of such proposed amendment or amendments. Not more than four amendments shall be voted upon at any one time. If two or more amendments shall be submitted at the same time, they shall be submitted in such manner that the electors shall vote for or against each of such amendments separately, but an amendment may relate to a single subject or to related subject matters and may amend or modify as many articles and as many sections of the Constitution as may be necessary and appropriate in order to accomplish the objectives of the amendment. The approval of the Governor shall not be necessary to any bill, order, resolution or vote of the General Assembly, proposing an amendment or amendments to this Constitution.

Section 5. It is further provided as a part of this amendment a schedule of transitional provisions for the purposes of this amendment, that:

- (1) The term of office of Representatives elected in 1988 shall be three (3) years.
 - (2) The term of office of Senators from odd-numbered districts elected in 1988 shall be five (5) years.
 - (3) The term of office of Senators from even-numbered districts elected in 1990 shall be five (5) years.”;
- and

By renumbering the remaining section accordingly.

Floor Amendment No. 6 to **SB 130**, by Representative Will:

Amend printed copy of GA Copy of **SB 130** on page 1, line 12, after “Section 2.” insert the following:

“It is proposed that Section 144 of the Constitution of Kentucky be amended to read as follows:

Counties shall have a Fiscal Court, which may consist of the Judge of the County Court and the Justices of the Peace, in which Court the Judge of the County Court shall preside, if present; or a county may have three commissioners, ~~[to be elected from the county at large,]~~ who, together with the Judge of the County Court, shall constitute the Fiscal Court. A majority of the members of said Court shall constitute a Court for the transaction of business. But where, for county governmental purposes, a city is by law separated from the remainder of the county, such Commissioners may be elected from the part of the county outside of such city.

Section 3. It is proposed that Section 160 of the Constitution of Kentucky be amended to read as follows:

The Mayor or Chief Executive, Police Judges, members of legislative boards or councils of towns and cities shall be elected by the qualified voters thereof: Provided, The Mayor or Chief Executive and Police

Judges of the towns of the fourth, fifth and sixth classes may be appointed or elected as provided by law. The terms of office of Mayors or Chief Executives and Police Judges shall be four years, and until their successors shall be qualified, and of members of legislative boards, two years. [~~When any city of the first or second class is divided into wards or districts, members of legislative boards shall be elected at large by the qualified voters of said city; but so selected that an equal proportion thereof shall reside in each of the said wards or districts; but when in any city of the first, second or third class, there are two legislative boards, the less numerous shall be selected from and elected by the voters at large of said city; but other officers of towns or cities shall be elected by the qualified voters therein, or appointed by the local authorities thereof, as the General Assembly may, by a general law, provide; but when elected by the voters of a town or city, their terms of office shall be four years, and until their successors shall be qualified.~~] No Mayor or Chief Executive of any city of the first or second class, after the expiration of three successive terms of office to which he has been elected under this Constitution shall be eligible for the succeeding term. No fiscal officer of any city of the first or second class, after the expiration of the term of office to which he has been elected under this Constitution, shall be eligible for the succeeding term. "Fiscal officer" shall not include an Auditor or Assessor, or any other officer whose chief duty is not the collection or holding of public moneys. The General Assembly shall prescribe the qualifications of all officers of towns and cities, the manner in and causes for which they may be removed from office, and how vacancies in such offices may be filled.

Section 4."

Floor Title Amendment No. 2 to **SB 130**, by Representative B. Smith:

Amend printed copy of GA Copy of **SB 130** on page 1, by amending the title to read as follows: "AN ACT proposing an amendment to the Kentucky Constitution relating to government."

Floor Title Amendment No. 3 to Committee Substitute to **SB 130**, by Representative LeMaster:

Amend printed copy of **SB 130/HCS** by amending the title to read as follows: "AN ACT proposing an amendment to the Kentucky Constitution relating to the General Assembly."

Floor Title Amendment No. 4 to **SB 130**, by Representative Will:

Amend printed copy of GA Copy of **SB 130** on page 1, by amending the title to read as follows: "AN ACT proposing an amendment to the Kentucky Constitution relating to government."

Floor Amendment No. 4 to Committee Substitute to **SB 143**, by Representative Hatcher:

Amend printed copy of **SB 143/HCS** on page 3, line 25, after "maintained." delete the remainder of the line: and

On page 3, delete line 26 in its entirety; and

On page 4, delete lines 1 and 2 in their entirety; and

On page 6, line 7, before "any" insert "(1)"; and

On page 6, after line 18, insert the following:

"(2) Upon commencement of any action brought under subsection (1) of this section, the clerk of the court shall mail a copy of the complaint, and upon entry of any judgment or decree, shall mail a copy of such judgment or decree to the commission on human rights.

SECTION 4. A NEW SECTION OF KRS CHAPTER 344 IS CREATED TO READ AS FOLLOWS:

A person subject to this chapter may adopt and carry out a plan to eliminate present effects of past discrimination, or reduce a manifest imbalance with respect to race, color, religion, national origin, or sex. The commission may review the plans filed with it.

Section 5. KRS 344.200 is amended to read as follows:

(1) An individual claiming to be aggrieved by an unlawful practice, a member of the commission, or the attorney general may file with the commission a written sworn complaint stating that an unlawful practice has been committed, setting forth the facts upon which the complaint is based, and setting forth facts sufficient to enable the commission to identify the persons charged (hereinafter the respondent). *An individual claiming to be aggrieved may file a complaint for himself and other persons similarly situated. If a complaint is filed by an individual on his behalf and on behalf of persons similarly situated, as soon as practicable after the filing of the complaint, the commission shall determine by order whether the action will be maintained pursuant to CR 23, and make any additional appropriate orders.* The commission staff or a person designated pursuant to its rules shall promptly investigate the allegations of unlawful practice set forth in the complaint and shall within five (5) days furnish the respondent with a copy of the complaint. The complaint must be filed within one hundred eighty (180) days after the alleged unlawful practice occurs.

(2) The commission or an individual designated pursuant to its rules shall determine within thirty (30) days after the complaint has been filed whether there is probable cause to believe the respondent has engaged in an unlawful practice. If it is determined that there is no probable cause to believe that the respondent has engaged in an unlawful practice, the commission shall issue an order dismissing the complaint and shall furnish a copy of the order to the complainant, the respondent, the attorney general, and such other public officers and persons as the commission deems proper.

(3) The complainant, within ten (10) days after receiving a copy of the order dismissing the complaint, may file with the commission an application for reconsideration of the order. Upon such application, the commission or an individual designated pursuant to its rules shall make a new determination within ten (10) days whether there is probable cause to believe that the respondent has engaged in an unlawful practice. If it is determined that there is no probable cause to believe that the respondent has engaged in an unlawful practice, the commission shall issue an order dismissing the complaint and furnishing a copy of the order to the complainant, the respondent, the attorney general, and such other public officers and persons as the commission deems proper.

(4) If the staff determines, after investigation, or if the commission determines after the review provided for in subsection (3) of this section that there is probable cause to believe that the respondent has engaged in an unlawful practice, the commission staff shall endeavor to eliminate the alleged unlawful practice by conference, conciliation and persuasion. The terms of a conciliation agreement reached with a respondent may require him to refrain from the commission of unlawful discriminatory practices in the future and make such further provisions as may be agreed upon between the commission or its staff and the respondent. If a conciliation agreement is entered into, the commission shall issue and serve on the complainant an order stating its terms. A copy of the order shall be delivered to the respondent, the attorney general, and such other public officers and persons as the commission deems proper. Except for the terms of the conciliation agreement, neither the commission nor any officer or employee thereof shall make public, without the written consent of the complainant and the respondent, information concerning efforts in a particular case to eliminate an unlawful practice by conference, conciliation, or persuasion whether or not there is a determination of probable cause or a conciliation agreement.

(5) At the expiration of one (1) year from the date of a conciliation agreement, and at other times in its reasonable discretion, the commission staff may investigate whether the terms of the agreement have been and are being complied with by the respondent. Upon a finding that the terms of the agreement are not being complied with by the respondent, the commission shall take such action as it deems appropriate to assure compliance.

(6) At any time after a complaint is filed, the commission may file an action in the circuit court in a county in which the subject of the complaint occurs, or in a county in which a respondent resides or has his principal place of business, seeking appropriate temporary relief against the respondent, pending final determination of proceedings under KRS 344.160, 344.190 to 344.210, and 344.230 to 344.260, including an order or decree restraining him from doing or procuring any act tending to render ineffectual any order the commission may enter with respect to the complaint. The court shall have power to grant such temporary relief or restraining order as it deems just and proper.

(7) Insofar as they are not inconsistent or in conflict with the procedure and practice provided by this chapter, the Kentucky Rules of Civil Procedure will apply to proceedings under this chapter.

Section 6. KRS 344.385 is amended to read as follows:

Wherever a licensee of the Commonwealth of Kentucky [Where a real estate broker or a real estate salesman] has failed to comply with an order issued by the commission or has been found to have committed an unlawful [unfair housing] practice in violation of this chapter [KRS 344.380], the commission shall notify in writing the appropriate licensing authority [real estate commission] of the Commonwealth of Kentucky of said failure to comply or violation. The commission may recommend and the licensing agency may take appropriate disciplinary action to revoke or suspend the license of the licensee.

Section 7. KRS 344.130 is amended to read as follows:

As used in this chapter unless the context [requires] otherwise requires:

"Place of public accommodation, resort or amusement" includes any place, store or other establishment, either licensed or unlicensed, which supplies goods or services to the general public or which solicits or accepts the patronage or trade of the general public or which is supported directly or indirectly by government funds: except that

(1) A private club is not a place of public accommodation, resort or amusement *if it is a bona fide private club and if its policies are determined by its members and its facilities or services are available only to its members and their bona fide guests. A private club is not a bona fide private club if it is one described in Section 1(5) of this bill.*; and

(2) "Place of public accommodation, resort or amusement" does not include a rooming or boarding house containing not more than one room for rent or hire and which is within a building occupied by the proprietor as his residence."

Floor Amendment No. 3 to SB 147, by Representative Nett:

Amend printed copy of GA Copy of SB 147 on page 4, following line 12, to add the following:

"Section 2. KRS 531.010 is amended to read as follows:

As used in this chapter:

(1) "Distribute" means to transfer possession of, whether with or without consideration.

(2) "Matter" means any book, magazine, newspaper, or other printed or written material or any picture, drawing, photograph, motion picture, *video cassette*, or other pictorial representation or any statue or other figure, or any recording transcription or mechanical, chemical or electrical reproduction or any other articles, equipment, machines, or materials.

(3) "Obscene" means:

(a) ~~[To]~~ The average person, applying local contemporary community standards, *would find that the matter [the predominant appeal of the matter], taken as a whole, appeals [is] to the prurient interest. [in sexual conduct; and] In order for an item as a whole to be found or intended to have an appeal to the prurient interest, it is not necessary that the item be successful in arousing or exciting any particular form of prurient interest either in the hypothetical average person, in a member of its intended and probable recipient group or in the trier of fact; and*

(b) The average person, applying local contemporary community standards, *would find that the matter depicts or describes [the sexual conduct] in a patently offensive way, sexual conduct as that term is described in this section. Contemporary community standards shall be set by what is in fact accepted in the community as a whole; and*

(c) A reasonable person *would find that* the matter, taken as a whole, lacks serious literary, artistic, political, or scientific value.

(4) "Sexual conduct" means *actual or simulated acts of, whether involving persons or persons and animals: [acts of masturbation, homosexuality, lesbianism, bestiality, sexual intercourse, or deviant sexual intercourse;*

or physical contact with the genitals, flagellation, or excretion for the purpose of sexual stimulation or gratification.]

(a) *Sexual intercourse, including genital-genital, oral-genital, anal-genital or oral-anal, whether between persons of the same or opposite sex.*

(b) *Penetration of the vagina or rectum by any object except when done as part of a recognized medical procedure.*

(c) *Sexual bestiality.*

(d) *Masturbation.*

(e) *Sadomasochistic abuse.*

(f) *Lewd exhibition of the genitals, pubic or rectal areas of any person.*

(g) *Defecation or urination in the context of a sexual act.*

(5) *"Simulated" means any depicting of the genitals or rectal areas which gives the appearance of sexual conduct or incipient sexual conduct.*

(6) *"Sadomasochistic abuse" means flagellation or torture by or upon a person clad in undergarments, a mask or bizarre costume, or the condition of being fettered, bound or otherwise physically restrained on the part of one (1) so clothed, for the purpose or in the context of sexual gratification or abuse.*

(7) *"Obscene device" means a device including a dildo or artificial vagina, designed or primarily used for the stimulation of human genital organs.*

(8) *"Knowledge of the content and character" means having general knowledge or awareness of the character of the matters or devices he distributed and that he knew the nature and character of the matters or devices, whether or not there is actual knowledge of the specific contents thereof. This knowledge may be proven by direct or circumstantial evidence or both.*

Section 3. KRS 531.020 is amended to read as follows:

(1) A person is guilty of distribution of obscene matter when, having knowledge of its content and character, he:

(a) Sends or causes to be sent into this state for sale or distribution; or

(b) Brings or causes to be brought into this state for sale or distribution; or

(c) In this state, he:

1. Prepares, or

2. Publishes, or

3. Prints, or

4. Exhibits, or

5. Distributes, or

6. Offers to distribute, or

7. Has in his possession with intent to distribute, exhibit or offer to distribute, any obscene matter or obscene device, or

8. Presents or participates in presenting the live, recorded or exhibited performance of any obscene matter to the public or an audience for consideration or commercial purpose, or

9. Owns, leases, or manages any theatre, building, structure, room, place, or commercial establishment and leases, lets, or permits the building, structure, room, place or commercial establishment to be used for the purpose of presenting obscene exhibitions or performances or for the purpose of distributing obscene matters or obscene devices.

(2) Distribution of obscene matter is a Class A [B] misdemeanor unless the defendant has in his possession more than one unit of material coming within the provisions of this chapter, in which case it shall be a Class D felony [A misdemeanor]. Subsequent violations of this section shall be a Class C felony.

SECTION 4. A NEW SECTION OF KRS CHAPTER 531 IS CREATED TO READ AS FOLLOWS:

(1) Expert testimony or other ancillary evidence shall not be required to determine obscenity if the allegedly obscene item has been placed in evidence. The matter itself shall be the best evidence of what it represents.

(2) The fact that other sexually explicit items are distributed in the local community shall not be admissible as evidence of the local contemporary community standard unless it is shown that:

(a) The other item is similar to the item at issue. Similarity shall be measured by the degree of sexual explicitness and type of sexual conduct or activity depicted. It shall also be in a similar medium as the item at issue; and

(b) The other item enjoys a reasonable degree of community acceptance.

SECTION 5. A NEW SECTION OF KRS CHAPTER 531 IS CREATED TO READ AS FOLLOWS:

The following items used or intended for use in violation of this chapter shall be subject to seizure and forfeiture pursuant to KRS 500.090.

(1) All obscene matters and obscene devices which have been produced, published, copied, sold, possessed, rented, loaned, transported or transmitted in violation of this chapter.

(2) All property which is used or intended to be used as a container for property described in subsection (1) of this section.

(3) All conveyances including aircraft and motor vehicles which are used, or intended for use, to transport, or in any manner facilitate the transportation, sale, receipt, possession, or concealment of property described in subsection (1) of this section.

(4) All books, records, negatives, microfilm, film, and data which are used or intended to be used in violation of this chapter.

(5) All monies, negotiable instruments, securities or other things of value furnished by any person in exchange for any obscene matter or device, all proceeds traceable to such an exchange and all money, negotiable instruments or securities used or intended to be used to facilitate any violation of this chapter.

(6) All real property, including any right, title and interest in the whole of any lot or tract of land and any appurtenance and improvements, which is used or intended to be used, in any manner or part, to commit or facilitate the commission of a violation of this chapter.

(7) As to paragraph (6) of this section, no property shall be forfeited to the extent an owner, by reason of any act or omission established by that owner to have been committed or omitted without the knowledge or consent of that owner. As to any issue arising regarding "knowledge of character" or any obscene item or obscene

device, the definition contained in section KRS 531.010 shall apply.

(8) The above provisions shall not include obscene matter or obscene devices merely possessed by an individual in the privacy of his own home and for no purpose in violation of this statute.

SECTION 6. A NEW SECTION OF KRS CHAPTER 531 IS CREATED TO READ AS FOLLOWS:

(1) Any sexually oriented business which exhibits on the premises in a viewing room or cubicle of less than one hundred fifty (150) square feet of floor space, a film, video cassette, or other video reproduction or live performance, which depicts specified sexual activities or specified anatomical areas, shall comply with the following requirements:

(a) The establishment shall submit to the local health department a diagram of the premises showing the location of one (1) or more manager's stations and the location of all overhead lighting fixtures and designating any portion of the premises in which patrons will not be permitted. A manager's station shall not exceed thirty-two (32) square feet of floor area. A professionally prepared diagram in the nature of an engineer's or architect's blueprint shall not be required; however, each diagram shall be oriented to the north or to some designated street or object and shall be drawn to a designated scale on which marked dimensions are sufficient to show the various internal dimensions of all areas of the interior of the premises to an accuracy of plus or minus six (6) inches.

(b) No alteration in the configuration of the interior of the premises shall be made without submitting a new diagram to the local health department.

(c) The establishment shall have at least one (1) employee on duty and situated in each manager's station at all times that any patron is present inside the premises.

(d) The interior of the premises shall be configured in a manner providing an unobstructed view from the manager's station of every area of the premises to which any patron is permitted access for any purpose excluding restrooms. Restrooms shall not contain video reproduction equipment or be used for live performances. If the premises has two (2) or more manager's stations, then the interior of the premises shall be configured to provide an unobstructed view of each area of the premises to which any patron is permitted access for any purpose from at least one (1) of the manager's stations. The view required shall be by direct line of sight from the manager's station.

(e) No viewing room or cubicle shall be occupied by more than one (1) person at any time.

(f) It shall be the duty of the operator of the establishment, and it shall also be the duty of any agents, managers, and employees present in the premises, to ensure that the view specified in subsection (4) remains unobstructed by any doors, walls, merchandise, display racks or other materials at all times, and to ensure that no patron is permitted access to any area of the premises which has been designated as an area in which patrons will not be permitted.

(g) The premises shall be equipped with overhead lighting fixtures of sufficient intensity to illuminate every place to which patrons are permitted access.

(2) Unless the context otherwise requires:

(a) "Sexually oriented business" means any commercial establishment where, for any form of consideration, films, motion pictures, video cassettes, slides, or similar graphic reproductions, or live performances are regularly shown which depict "specified sexual activities" or "specified anatomical areas."

(b) "Specified anatomical areas" means the male genitals in a state of sexual arousal or the female vulva.

(c) "Specified sexual activities" means and includes any of the following:

1. The fondling or other erotic touching of the human genitals; pubic region, buttocks, anus, or female breasts;
2. Sex acts, normal or perverted, actual or simulated, including intercourse, oral copulation, or sodomy;

3. *Masturbation, actual or simulated; or*

4. *Excretory functions as a part of or in connection with any of the activities as set forth in 1. through 3. above.*

(3) Any person owning a sexually oriented business shall execute an ownership disclosure form with the local health department. If the person who owns a sexually oriented business is other than an individual, each individual who has a ten percent (10%) or greater interest in the business shall sign the ownership disclosure form. If a corporation is listed as owner of a sexually oriented business, each individual having a ten percent (10%) or greater interest in the corporation shall sign the ownership disclosure form. All signatures shall be notarized.

(4) Within thirty (30) days of the transfer of the ownership, or a part thereof, of a sexually oriented business, any new owner shall execute an ownership disclosure form with the local health department.

(5) Violation of any of the provisions of this section is a Class D felony. Any sexually oriented business which is convicted of a violation of this section shall be subject to closure as a public nuisance.

SECTION 7. A NEW SECTION OF KRS CHAPTER 531 IS CREATED TO READ AS FOLLOWS:

(1) A person is guilty of possession of child pornography when having knowledge of its content and character, he has in his possession, care, custody or control any matter that visually depicts any minor, under the age of eighteen (18) years, engaged in or portraying a sexual performance.

(2) Possession of child pornography is a Class A misdemeanor, unless the defendant has in his possession more than one (1) unit of material coming within the provisions of this section, in which case it shall be a Class D felony."

Floor Amendment No. 4 to **SB 147**, by Representative Ackerson:

Amend printed copy of GA Copy of **SB 147** on page 4, following line 12, to add the following:

"Section 2. KRS 508.010 is amended to read as follows:

(1) A person is guilty of assault in the first degree when:

(a) He intentionally causes serious physical injury to another person by means of a deadly weapon, or a dangerous instrument, of the act itself, with or without a deadly weapon or dangerous instrument, produces total disability to the victim so that the victim cannot be gainfully employed or the act itself, with or without a deadly weapon or dangerous instrument, is to a female, without her consent and said injury produces miscarriage; or

(b) Under circumstances manifesting extreme indifference to the value of human life he wantonly engages in conduct which creates a grave risk of death to another and thereby causes serious physical injury to another person.

(2) Assault in the first degree in a Class B felony."

Floor Amendment No. 5 to **SB 147**, by Representative Riner:

Amend printed copy of GA Copy of **SB 147** on page 4, after line 12, insert the following:

"SECTION 2. A NEW SECTION OF KRS CHAPTER 214 IS CREATED TO READ AS FOLLOWS:

Any person convicted of prostitution shall be tested for infection with the human immunodeficiency virus (HIV) or any other identified causative agent of the acquired immune deficiency syndrome. The testing shall consist of such test as may be approved by the U.S. Food and Drug Administration and shall be administered by the local health department of the city or county in which the person was arrested. If the convicted person

tests negative for infection, the person shall be issued a document indicating such test results and the date of the results and further the person shall periodically report to the local health department for testing for HIV infection at intervals established by the cabinet for human resources under administrative regulation which shall be issued pursuant to KRS Chapter 13A. If such convicted person tests confirmatory positive for infection, the cabinet for human resources may, under the provisions of KRS 211.080 and 214.020, take whatever steps are necessary to protect the public against the spread of the human immunodeficiency virus or any other identified causative agent of the acquired immune deficiency syndrome.

SECTION 3. A NEW SECTION OF KRS CHAPTER 529 IS CREATED TO READ AS FOLLOWS:

Half of all proceeds of fines collected pursuant to KRS 529.020 shall be placed in a trust and agency account which the cabinet for human resources shall disburse to local health departments solely as reimbursement for the testing of convicted prostitutes for the infection with the human immunodeficiency virus (HIV) or any other causative agent of the acquired immune deficiency syndrome.

SECTION 4. A NEW SECTION OF KRS CHAPTER 213 IS CREATED TO READ AS FOLLOWS:

Any person required under Section 2 of this Act to be tested for infection with the human immunodeficiency virus or any other identified causative agent of the acquired immune deficiency syndrome and who fails to report for such testing shall, for the first failure to report, be found guilty of a class A misdemeanor. For each subsequent failure to report for testing, such person shall be found guilty of a class D felony.

SECTION 5. A NEW SECTION OF KRS CHAPTER 529 IS CREATED TO READ AS FOLLOWS:

(1) A person is guilty of patronizing a prostitute when, as a patron, he engages or agrees or offers to engage in sexual conduct with another person in return for a fee.

(2) Patronizing a prostitute is a Class B misdemeanor."

Floor Title Amendment No. 2 to **SB 147**, by Representative Nett:

Amend printed copy of GA Copy of **SB 147**, Title, to delete the same and to insert in lieu thereof "AN ACT relating to crimes and punishments.

Floor Title Amendment No. 3 to **SB 147**, by Representative Ackerson:

Amend printed copy of GA Copy of **SB 147**, Title, to delete the same and to insert in lieu thereof "AN ACT relating to crimes and punishments.

Floor Title Amendment No. 4 to **SB 147**, by Representative Riner:

Amend printed copy of GA Copy of **SB 147**, Title, to delete the same and to insert in lieu thereof "AN ACT relating to crimes and punishments.

Floor Amendment No. 2 to **SB 167**, by Representative Donnermeyer:

Amend printed copy of GA Copy of **SB 167** on page 3, by inserting after line 10, the following:

"SECTION 2. A NEW SECTION OF KRS CHAPTER 431 IS CREATED TO READ AS FOLLOWS:

(1) Any person who has committed a misdemeanor or violation and such misdemeanor or violation:

(a) Did not involve the imposition of a jail sentence by the judge or jury; and

(b) Did not involve the use of a deadly weapon or dangerous instrument; and

(c) Did not involve sexual abuse; and

(d) Did not involve the death or serious physical injury or physical injury or threat thereof to another person, may apply to have his conviction purged from all public records in this Commonwealth two (2) years after his conviction for such misdemeanor or violation.

(2) Any person who has been charged with a misdemeanor or violation and who has been acquitted or where the charges against him have been dismissed, may apply to have all public records in this Commonwealth relating thereto purged upon such acquittal or dismissal.

(3) Any person who has successfully completed a diversion program for an eligible offense under subsection (1) of this section may apply to have all public records in this Commonwealth relating thereto purged two (2) years after such completion.

(4) Applications shall be directed to the sentencing court and the court shall, if the conditions of this section have been met, issue orders to the appropriate state and local agencies to purge the conviction from their records.

(5) When a record is purged from the records pursuant to this section, it shall, for all purposes in Kentucky (except those for which the Constitution may require otherwise) be deemed not to have occurred, and no person whose record has been purged shall have to list the record on any application or other form for any purpose, unless such is required by federal law.

(6) This section shall not apply to matters where there is a federal statute or regulation to the contrary.

(7) This section shall apply to misdemeanors and violations only.

(8) This section does not apply to any traffic offenses under the provisions of KRS Chapter 186 to 189A.

(9) The provisions of this section with regard to purging of criminal convictions may be utilized only once during a person's lifetime and then only for one (1) eligible conviction.

Section 3. KRS 17.120 is amended to read as follows:

Upon conviction, the department of justice shall forward one (1) copy of each photograph, set of fingerprints and general description report received by it to the federal bureau of investigation."

Floor Amendment No. 1 to **SB 222**, by Representative R. Jones:

Amend printed copy of **SB 222** on page 1, line 16, delete the word and number "Two (2)" and insert in lieu thereof the word and number "One (1)"; and

On page 1, line 16, delete the word "professionals" and insert in lieu thereof the word "professional" and delete the word "are" and insert in lieu thereof the word "is"; and

On page 1, line 18, delete the word "and"; and

On page 1, line 20, delete the period and insert in lieu thereof the following: "; and"; and

On page 1, after line 20, by inserting the following: "(8) The chairman of the parole board."

Floor Amendment No. 6 to Committee Substitute to **SB 235**, by Representative Nett:

Amend printed copy of House Committee Substitute for **SB 235** on page 55, following line 15, to add the following:

"Section 45. KRS 507.010 is amended to read as follows:

A person is guilty of criminal homicide when the causes ~~the~~ death ~~of another human being~~ under circumstances which constitute murder, *murder of an unborn child*, manslaughter in the first degree,

manslaughter in the second degree, or reckless homicide.

SECTION 46. A NEW SECTION OF KRS CHAPTER 507 IS CREATED TO READ AS FOLLOWS:

(1) A person is guilty of murder of an unborn child when in performing acts which cause the death of an unborn child, the actor, without lawful justification:

(a) Either intended to kill or do great bodily harm to the mother or her unborn child or knew that his acts created a strong probability of death or great bodily harm to the mother or her unborn child; and

(b) He knew, or reasonably should have known under all of the circumstances, that the mother was pregnant.

(2) For purposes of this section:

(a) "Unborn child" means an individual organism of the human species from fertilization to birth; and

(b) "Person" shall not include the pregnant woman whose unborn child is killed.

(3) This law shall not apply to the acts of physicians which cause the death of an unborn child if those acts are committed during medically acceptable procedures necessary for the medical care of the mother.

(4) This law shall not apply to acts of physicians which cause the death of an unborn child if those acts were committed during a lawful pregnancy termination."

(5) The provisions of this section shall not be construed to prohibit the prosecution of any person under any other provision of law.

(6) Murder of an unborn child is a Class A Felony."

Floor Title Amendment No. 2 to **SB 235**, by Representative Nett:

Amend printed copy of HCS for **SB 235**, Title, to delete the same and to insert in lieu thereof "AN ACT relating to crimes and punishments."

Floor Amendment No. 2 to **SB 239**, by Representative B. Smith:

Amend printed copy of GA Copy of **SB 239** on page 2, line 15, by removing the brackets from around the word "Capacity" and removing the strike throughs.

On page 2, line 17, by deleting said line in its entirety.

On page 2, line 18, in front of the the opening bracket by inserting the following language:

<i>"7 persons or less</i>	\$25,000	\$50,000	\$10,000
<i>8 to 16 inclusive</i>	100,000	300,000	50,000
<i>17 to 25 inclusive</i>	100,000	300,000	50,000
<i>26 or more</i>	100,000	300,000	50,000"

Floor Amendment No. 3 to **SB 239**, by Representative Walker:

Amend printed copy of GA Copy of **SB 239** on page 7, line 4, after "SECTION 2." insert the following language:

"A NEW SECTION OF KRS CHAPTER 190 IS CREATED TO READ AS FOLLOWS:

As used in this Sections 2 through 5 of this Act:

- (1) *"Buyer" has the meaning set forth in KRS 190.090(6);*
- (2) *"Retail instalment contract" has the meaning set forth in KRS 190.090(3);*
- (3) *"Direct loan agreement" means an agreement between a lender and a purchaser whereby the lender has advanced funds pursuant to a loan secured by the motor vehicle which the purchaser has purchased;*
- (4) *"Lease contract" means a contractual arrangement described in KRS 190.010(6);*
- (5) *"Motor vehicle" has the meaning set forth in KRS 190.090(4);*
- (6) *"Person" has the meaning set forth in KRS 190.010(19);*
- (7) *"Purchaser" has the meaning set forth in KRS 355.1-201(33);*
- (8) *"Security agreement" has the meaning set forth in KRS 355.9-105(1)(l);*
- (9) *"Secured party" has the meaning set forth in KRS 355.9-105(1)(m);*
- (10) *"Security interest" has the meaning set forth in KRS 355.1-201(37); and*
- (11) *"Seller" has the meaning set forth in KRS 190.090(5), and includes the present holder of the retail instalment contract.*

SECTION 3. A NEW SECTION OF KRS CHAPTER 190 IS CREATED TO READ AS FOLLOWS:

(1) *A person shall be deemed to engage in an act of unlawful assignment or subleasing of a motor vehicle if all of the following conditions are met:*

(a) *The motor vehicle is subject to a lease contract, retail instalment contract, direct loan agreement or security agreement the terms of which prohibit the transfer or assignment of any right or interest in the motor vehicle or under the lease contract, retail instalment contract, direct loan agreement or security agreement;*

(b) *The person is not a party to the lease contract, retail instalment contract, direct loan agreement or security agreement;*

(c) *The person transfers or assigns, or purports to transfer or assign, any right or interest in the motor vehicle or in the lease contract, retail instalment contract, direct loan agreement or security agreement, to any person who is not a party to the lease contract, retail instalment contract, direct loan agreement or security agreement;*

(d) *The person does not obtain, prior to the transfer or assignment described in paragraph (c) of this subsection, written consent to the transfer or assignment from the motor vehicle's lessor, seller, or secured party; and*

(e) *The person receives compensation or some other consideration for the transfer or assignment described in paragraph (c) of this subsection.*

(2) *A person shall be deemed to engage in an act of unlawful assignment or subleasing of a motor vehicle when the person is not a party to the lease contract, retail instalment contract, direct loan agreement or security agreement, and assists, causes, or arranges an actual or purported transfer or assignment, as described in subsection (1) of this section.*

(3) *This section shall not affect the enforceability of any lease contract, retail instalment contract, security*

agreement, or direct loan agreement by any party thereto.

SECTION 4. A NEW SECTION OF KRS CHAPTER 190 IS CREATED TO READ AS FOLLOWS:

(1) Any one (1) or more of the following who suffers any damage proximately resulting from one (1) or more acts of unlawful motor vehicle assignment or subleasing, as described in Section 3 of this Act, may bring an action against the person who has engaged in those acts:

- (a) A seller or other secured party under a retail instalment contract or a security agreement;*
- (b) A lender under a direct loan agreement;*
- (c) A lessor under a lease contract;*
- (d) A buyer under a retail instalment contract;*
- (e) A purchaser under a direct loan agreement, an agreement which provides for a security interest, or an agreement which is equivalent to these types of agreements;*
- (f) A lessee under a lease contract; or*
- (g) An actual or purported transferee or assignee of any right or interest of a buyer, a purchaser, or a lessee.*

(2) The court in an action under subsection (1) of this section may award:

- (a) Actual damages;*
- (b) Equitable relief, including, but not limited to, an injunction and restitution of money and property;*
- (c) Punitive damages;*
- (d) Reasonable attorneys' fees and costs; and*
- (e) Any other relief which the court deems proper.*

(3) The rights and remedies provided in this section shall be in addition to any other rights and remedies provided by law.

Section 5. KRS 190.990 is amended to read as follows:

(1) Any person who violates or causes, aids or abets any violation of any provision of KRS 190.010 to 190.080 or any order, rule or regulation lawfully issued pursuant to authority granted by KRS 190.010 to 190.080 shall be fined not less than twenty-five dollars (\$25) nor more than five hundred dollars (\$500), or imprisoned for not more than thirty (30) days, or both. Any person who violates paragraphs (l), (m) or (n) of subsection (1) of KRS 190.040 may also be subject to a suspension or revocation sentence of not more than a year effective only in the territory formerly served by the unfairly canceled dealer, except that in a metropolitan area serviced by several dealers handling the same motor vehicle, the suspension or revocation order shall not be applicable to the remaining dealers.

(2) Any person who willfully and intentionally violates any provision of KRS 190.090 to 190.140 shall be guilty of a misdemeanor and upon conviction shall be punished by a fine not exceeding five hundred dollars (\$500).

(3) A willful violation of KRS 190.100 or 190.110 by any person shall bar his recovery of any finance charge, delinquency or collection charge on the retail instalment contract involved.

(4) Any person who willfully violates KRS 190.270 to 190.320 shall be subject to a penalty of five thousand dollars (\$5,000) per violation, which may be recovered on behalf of the Commonwealth by the attorney general.

(5) *Any person who engages in the act of unlawful assignment or subleasing of a motor vehicle as described in Section 2 of this Act is guilty of a Class D felony.*

Section 6."

On page 7, line 4, by deleting the word "This Act" and inserting "Section 1 of this Act" in lieu thereof.

Floor Title Amendment to **SB 239**, by Representative Walker:

Amend printed copy of GA Copy of **SB 239** by changing the title to read: "AN ACT relating to motor vehicles."

Floor Amendment No. 1 to **SB 268**, by Representative Worthington:

Amend printed copy of GA Copy of **SB 268** on page 1 after the enacting clause by inserting the following:

"Section 1. Section 2 of 1988 House Bill 31 is amended to read as follows:

(1) Partisan elections of city officers shall be governed by the following provisions, regardless of the form of government or classification of the city:

(a) A candidate for party nomination to city office shall file his nomination papers with the county clerk of the county not less than *one hundred twenty (120)*~~ninety (90)~~ days before the day fixed by KRS Chapter 118 for holding a primary election. All nomination papers shall be filed no later than 4 p.m. local time when filed on the last day on which such papers are permitted to be filed.

(b) An independent candidate for nomination to city office shall not participate in a primary election, but shall file his nomination papers with the county clerk of the county not less than sixty-eight (68) days before the day fixed by KRS Chapter 118 for holding a regular election. All nomination papers shall be filed no later than 4 p.m. local time when filed on the last day on which such papers are permitted to be filed.

(c) A candidate for city office in a partisan election shall be prohibited from being a registered party candidate during a primary election and if defeated in the primary, changing his registration to independent for the purpose of seeking the same office at the regular election for which he was defeated in the primary election. However, if a vacancy occurs in the party nomination for which he was an unsuccessful candidate in the primary election, his name may be placed on the voting machines for the regular election as a candidate of that party if he has been duly made the party nominee after the vacancy occurs, as provided in KRS 118.105.

(2) Nonpartisan elections of city officers shall be governed by KRS 83A.050, 83A.170, 83A.175 and the following provisions, regardless of the form of government or classification of the city:

(a) A candidate for city office shall file his nomination papers with the county clerk of the county not less than *one hundred twenty (120)*~~ninety (90)~~ days before the day fixed by KRS Chapter 118 for holding a primary election. All nomination papers shall be filed no later than 4 p.m. local time when filed on the last day on which such papers are permitted to be filed;

(b) Any city of the fourth to sixth class may by ordinance provide that the nomination and election of candidates for city office in a nonpartisan election shall be conducted pursuant to the provisions of this subsection:

1. A city may forego conducting a nonpartisan primary election for the nomination of candidates to city office, regardless of the number of candidates running for each office, and require all candidates to file their nomination papers with the county clerk of the county no less than sixty-eight (68) days before the day fixed by KRS Chapter 118 for holding a regular election.

2. All nomination papers shall be filed no later than 4 p.m. local time when filed on the last day on which such papers are permitted to be filed.

3. If a city does not conduct a primary election pursuant to this subsection, the election of candidates to city office shall be governed by the provisions of this subsection, KRS 83A.175(2) to (7), and KRS Chapters 116 to 121.

4. If a city does not conduct a primary election pursuant to this subsection, candidates for city office shall not be required to make pre-election reports to the registry of election finance pursuant to KRS 121.180, but shall be required to make post-election reports within thirty (30) days after the regular election in November.

5. In the absence of a primary pursuant to this subsection, the number of candidates equal to the number of city offices to be filled, who receive the highest number of votes cast in the regular election for each city office shall be elected.

6. Candidates shall be subject to all other applicable election laws pursuant to this Act, KRS Chapter 83A and KRS Chapters 116 to 121.

7. If a vacancy occurs in a candidacy for city office in any city which has not held a primary pursuant to this subsection after the expiration of time for filing nomination papers due to the death, incapacity or withdrawal of a candidate, the vacancy in candidacy shall be filled in the following manner:

a. If the vacancy in candidacy occurs less than sixty-eight (68) days but more than thirty (30) days prior to the regular election, candidates shall file petitions of nomination to fill the vacancy with the county clerk not less than thirty (30) days prior to the regular election.

b. If the vacancy in candidacy occurs less than thirty (30) days prior to the regular election and there are no remaining candidates running to fill the office for which a vacancy has occurred, the office shall remain vacant until after the regular election and if no person is elected to the office by write-in ballots at the regular election, the vacancy in office shall be filled temporarily by the officer or body designated by law to fill the appointment.”; and

By renumbering the remaining sections accordingly.

Floor Amendment No. 2 to SB 268, by Representative Will:

Amend printed copy of GA Copy of SB 268 on page 6, after line 26, insert the following:

“Section 4. KRS 117.045 is amended to read as follows:

(1) The county board of elections shall, not later than September 20 each year, appoint for each precinct in the county two (2) judges, one (1) clerk, and one (1) sheriff of election, who shall hold their offices for one (1) year and until their successors are appointed. They shall serve in all elections held in the county during the year, except as provided in KRS Chapter 242. The county executive committees of the two (2) political parties having representation on the state board of elections may, on or before September 15 each year, designate in writing to the county board of elections a list of not less than four (4) names for each precinct except that in any precinct where there are not as many as four (4) persons possessing the qualifications of an election officer belonging to the political party filing the list, a less number may be designated. If there are two (2) or more contending executive committees of the same party in any county, the one (1) recognized by the written certificate of the chairman of the state central committee of the party shall be the one authorized to submit the lists. If lists are submitted, one (1) judge at each voting place shall be selected from each list, and the sheriff shall be chosen from one (1) list and the clerk from the other. If no lists are submitted, the officers of the election shall be so selected and appointed that one (1) of the judges at each voting place is of one (1) political party and the other judge of a different political party, and there shall be a like difference at each voting place between the sheriff and the clerk of election. The county board of elections shall, within ten (10) days before the next ensuing election, give each election officer written notice of his appointment. The board may direct the sheriff of the county to serve the notice of appointment, if it deems such action is necessary.

(2) An election officer shall be a qualified voter of the precinct, except that where no qualified voter

of the required political party is available within the precinct, the election officer shall be a qualified voter of the county. An election officer shall not be a candidate or the spouse, parent, brother, sister or child of a candidate who is to be voted for at the election. *A city, county or state employe shall not serve as an election officer for elections involving the governmental unit the employe serves.* An election officer may be removed, for cause, at any time up to five (5) days before an election. Vacancies shall be filled in the same manner as provided for original appointments and the person appointed to fill the vacancy shall be of the same political party as his predecessor.

(3) If the county board of elections fails to appoint election officers, or if any such officer fails to attend for thirty (30) minutes after the time for commencing the election, or refuses to act, the officer in attendance representing the political party of the absentee shall appoint a suitable person to act in his place for that election. If both representatives of the same political party are absent, qualified voters present affiliating with that party shall elect, viva voce, suitable persons to act in their places.

(4) Each election officer shall be paid a minimum of fifteen dollars (\$15) per day, and such an additional amount as may be determined by the county board of elections, with the approval of the governing body which would be responsible for funding said election officers' pay, for each election in which the election officer serves, to be paid by the county. For delivering election returns, the sheriff and the judge of the opposite political party from the sheriff shall receive in addition ten cents (10) for each mile necessarily traveled from the place of voting to and from the place of delivery, to be paid by the county."

Floor Amendment No. 3 to SB 268, by Representatives Lear, Stumbo, B. Richardson and Morris:

Amend printed copy of GA Copy of SB 268 on page 1, line 1, after "Section 1." by inserting the following:

"Section 1 of 1988 House Bill 453 is amended to read as follows:

(1) No person who contributes more than ~~one~~~~four~~ thousand dollars (\$1,000)~~(\$4,000)~~ to a gubernatorial candidate shall hold any appointive state office or position, which shall be made by gubernatorial appointment, during the term of office following the campaign in which the contribution shall be made.

(2) No person who has contributed more than ~~one~~~~four~~ thousand dollars (\$1,000)~~(\$4,000)~~ or any entity in which such a person has a substantial interest shall have any contract with the Commonwealth of Kentucky unless said contract shall be attained by competitive bidding and the person or entity shall have the lowest and best bid.

(a) "Substantial interest" means the person making the contribution owns or controls ten percent (10%) or more of an entity or a member of the person's immediate family owns or controls ten percent (10%) of such entity or the person and his immediate family together own or control ten percent (10%) or more of such entity.

(b) "Immediate family" means the spouse of the person, the parent of the person or spouse, or the child of the person or spouse.

(3) No person shall give or conspire to contribute money or property to any other person for the purpose of making a campaign contribution, in violation of this section, if the money or property contributed together with any other contribution made by such person would exceed the limit on individual campaign contributions. The restrictions established by subsections (1) and (2) of this section to a person who shall contribute in excess of ~~one~~~~four~~ thousand dollars (\$1,000)~~(\$4,000)~~ as provided by those subsections, shall apply to a person who makes a total contribution in excess of ~~one~~~~four~~ thousand dollars (\$1,000)~~(\$4,000)~~ as provided by this subsection.

SECTION 2. A NEW SECTION OF KRS CHAPTER 15 IS CREATED TO READ AS FOLLOWS:

The attorney general shall possess jurisdiction, concurrent with that of county and Commonwealth's attorneys, to investigate and prosecute violations of the election laws. The attorney general, county and Commonwealth's attorneys shall notify the registry of election finance of any investigation or prosecution of alleged election law violations.

SECTION 3. A NEW SECTION OF KRS CHAPTER 15 IS CREATED TO READ AS FOLLOWS:

(1) *In addition to the other duties and powers of the attorney general, he shall enforce all of the state's election laws by civil or criminal processes.*

(2) *The attorney general shall:*

(a) *Devise and administer programs to observe the conduct of elections;*

(b) *Hold public hearings;*

(c) *Establish a toll-free telephone service for the purpose of receiving reports of election law violations. The service shall be operated during regular business hours throughout the year and during the hours which any poll in the state is open on the day of any primary, special election or regular election;*

(d) *Initiate investigations or investigate alleged violations of election laws at the request of a registered voter or on his own motion;*

(e) *Issue subpoenas for the production of any books, papers, correspondence, memoranda or other records, and compel the attendance of witnesses that he deems relevant to the purposes of any investigation;*

(f) *Present evidence of alleged violations to a grand jury; and*

(g) *File appropriate complaints in any court of competent jurisdiction.*

(3) (a) *The attorney general shall be required to begin an independent investigation of each election in not fewer than ten percent (10%) of Kentucky's counties, to be selected at random in a public process, within twenty (20) days following each primary or regular election.*

(b) *After the investigation the attorney general shall report its findings to the grand jury of each county investigated and to the chief circuit judge for the circuit in which the county is located.*

(4) *When the registry of election finance concludes there is probable cause to believe a violation of election laws has occurred, it shall forward the matter to the attorney general for prosecution. In the event the attorney general or local prosecutor fails to prosecute the matter in a timely fashion the registry's attorney may petition the circuit court to be appointed special prosecutor. Upon such motion timely filed, for good cause shown, the court shall enter an order to that effect.*

(5) *When requested by the attorney general, all state and local agencies and officials, including the auditor of public accounts, commonwealth's attorneys, county attorneys, registry of election finance, state police, sheriffs' departments and local police, shall give all possible assistance to the attorney general in the performance of his duties.*

SECTION 4. A NEW SECTION OF KRS CHAPTER 27A IS CREATED TO READ AS FOLLOWS:

The administrative office of the courts shall send certified notices of conviction of a felony to the state board of elections within ten (10) days after the conviction becomes final with regard to any person before the courts of the Commonwealth.

SECTION 5. A NEW SECTION OF KRS CHAPTER 30A IS CREATED TO READ AS FOLLOWS:

Each circuit clerk shall send certified notices of incompetency to the state board of elections within ten (10) days after the determination has become final with regard to any person before the courts of the county.

SECTION 6. A NEW SECTION OF KRS CHAPTER 116 IS CREATED TO READ AS FOLLOWS:

(1) *The county clerk shall provide voter registration forms to each principal or assistant principal of every public high school, each area vocational school, and upon request, private schools, who shall designate a person in each school who shall be responsible for informing students and school personnel of the availability of the registration forms and assist them in registering with the party of their choice. The completed forms shall be*

returned to the county clerk, for official registration by the county clerk.

(2) The state board of elections shall provide for the conspicuous placement of signs at all precinct polling places, which shall state that vote buying and selling are illegal and shall state the penalties for such acts.

(3) The state board of elections shall publish and broadcast announcements throughout the state regarding the importance of voting in a free and conscientious manner, procedures for registering to vote and voting, general election laws, and penalties for vote buying and selling.

SECTION 7. A NEW SECTION OF KRS CHAPTER 116 IS CREATED TO READ AS FOLLOWS:

The state board of education shall implement programs of public education regarding elections, voting procedures, and election fraud, which shall include an audio-visual presentation for high school juniors and seniors. The state board of education, after consultation with the state board of elections, shall update the public education programs required by this section as relevant statutory changes occur, as different types of voting machines are used, or as more effective methods of presentation shall be developed.

SECTION 8. A NEW SECTION OF KRS CHAPTER 116 IS CREATED TO READ AS FOLLOWS:

(1) The state board of elections shall establish by regulation a schedule to conduct a purge of ineligible and deceased voters in every even-numbered year beginning with the fiscal year which begins July 1, 1990. The purge shall be conducted as set forth in this section.

(2) The state board of elections shall send to each registered voter, by first class mail, a notice of voter registration. The notice shall contain:

(a) The name of the voter;

(b) The voter's precinct; and

(c) The location of the voter's polling place.

(3) The notice shall provide that it is not forwardable and shall be returned to the state board of elections if undeliverable.

(4) If the notice is returned by the postal service with information that the voter has moved or may otherwise be ineligible to vote, the state board of elections shall forthwith mail to the voter who has moved a notice of intention to remove the voter's name from the voter registration list. This notice shall be forwardable.

(5) If the voter notifies the state board of elections prior to the election that he remains eligible to vote within the county, his name shall not be removed from the voter registration list. However, if no satisfactory explanation is obtained, the voter's name shall be removed from the voter registration roll.

SECTION 9. A NEW SECTION OF KRS CHAPTER 116 IS CREATED TO READ AS FOLLOWS:

(1) Upon receipt of notification from the cabinet for human resources of the death of a person, the state board of elections shall within five (5) days cause the removal of the name of that person from the voter registration records maintained by him.

(2) Upon receipt of notification from the circuit clerk that a person has been declared incompetent, the state board of elections shall within five (5) days cause the removal of the name of that person from the voter registration records maintained by him.

(3) Upon receipt from the administrative office of the courts that a person has been convicted of a felony offense, the state board of elections shall within five (5) days cause the removal of the name of that person from the voter registration records maintained by him.

(4) Following the purge of a name from the records of the state board of elections, the state board of elections

shall notify the clerk of the county in which the voter lived of the action; and the county clerk shall within ten (10) days, update the county voter registration files to reflect the necessary change. If a protest is filed by the voter, the county board shall hear it at its next regular monthly meeting. If the county board decides in favor of the protesting voter, his name shall not be purged, and the state board shall be notified of the action.

SECTION 10. A NEW SECTION OF KRS CHAPTER 116 IS CREATED TO READ AS FOLLOWS:

Election officers shall confirm the identity of each voter by personal acquaintance or by a document, such as a motor vehicle operator's license, social security card, or credit card. The election officer confirming the identity shall sign the precinct voter roster and list the method of identification.

SECTION 11. A NEW SECTION OF KRS CHAPTER 116 IS CREATED TO READ AS FOLLOWS:

The county clerk may request reimbursement from the state board of elections, for the cost of employing office personnel necessary for the conduct of elections, including the registration and purgation of voters in the county. Such reimbursement shall not exceed fifty cents (50) per registered voter in the county per year. Claims for reimbursement shall be submitted to the state board by July 31 of each year for employment costs for the preceding fiscal year. Claims shall be on forms provided by the state board of elections and shall show in detail the employe time and costs. If the state board of elections determines that the claims are valid and reasonable, the state board shall submit the claims to the treasury for payment. The state board may issue regulations prescribing the method and forms for documentary and submitting the claims.

SECTION 12. A NEW SECTION OF KRS CHAPTER 117 IS CREATED TO READ AS FOLLOWS:

(1) Within three (3) days after any primary or general election, the precinct election sheriff shall file a report with the chairman of the county board of elections and with the local grand jury. The report shall include any irregularities observed and any recommendations for improving the election process.

(2) Within ten (10) days after any primary or general election, the county board of elections shall file a report with the state board of elections, the registry of election finance and the local grand jury. The report shall include any irregularities of which the county board has knowledge and any recommendations for improving the election process. The report shall also include a precinct-by-precinct breakdown of the number of voters requiring assistance to vote and the reasons therefor; the number of special ballots cast by category; and any other information required by the state board.

(3) The state board of elections shall issue administrative regulations to prescribe the forms required by this section.

SECTION 13. A NEW SECTION OF KRS CHAPTER 117 IS CREATED TO READ AS FOLLOWS:

(1) The state board of elections shall regularly provide special training regarding the election laws and methods of enforcement to all county clerks, sheriffs, county attorneys, Commonwealth's attorneys and certain members of the Kentucky state police.

(2) The county board of elections shall provide special training to all election officers and alternates regarding their duties and the penalties for failure to perform. Election officers, including alternates, shall attend the training session, unless excused by the county board of elections for reason of illness or other emergency. Any person who fails to attend a training session without being excused shall be prohibited from serving as an election officer for a period of five (5) years.

(3) The county attorney shall attend the training session for election officers to assist in explaining the duties and penalties for failure to perform.

(4) Compensation in the minimum amount of five dollars (\$5) for reimbursement of actual expenses shall be paid by the county to the election officers for attending the training session.

SECTION 14. A NEW SECTION OF KRS CHAPTER 117 IS CREATED TO READ AS FOLLOWS:

Upon the first day a grand jury convenes after a primary, general election or special election, the county

clerk shall present to the grand jury all voter assistance forms and all applications for special ballots which shall have been completed in the immediately preceding primary, general election or special election.

SECTION 15. A NEW SECTION OF KRS CHAPTER 117 IS CREATED TO READ AS FOLLOWS:

(1) Except for those voters who have been certified as requiring assistance in voting on a permanent basis, any person voting by means of a special ballot as provided in this chapter who receives assistance in voting shall be required to complete the voter assistance form required by KRS 117.255.

(2) Any person who assists another person in voting by use of a special ballot shall complete the voter assistance form required by KRS 117.255.

(3) The detachable flap on all special ballots shall have printed upon it the voter assistance form required by KRS 117.255, as well as a notice of the penalty for failure to complete the form.

(4) The state board of elections shall promulgate a voter assistance form which shall be in a form acceptable to the attorney general.

SECTION 16. A NEW SECTION OF KRS CHAPTER 117 IS CREATED TO READ AS FOLLOWS:

No person shall personally solicit another to apply for a special ballot, unless that person is the spouse, parent or child of the voter. If the voter has no immediate family, this restriction shall not apply to a brother, sister, nephew, or niece. Any person who aids another in completing a special ballot shall not solicit or encourage that person to vote for or against any candidate, party, or issue.

SECTION 17. A NEW SECTION OF KRS CHAPTER 117 IS CREATED TO READ AS FOLLOWS:

The state board of elections shall promulgate administrative regulations and procedures necessary to:

(1) Designate which election records and materials shall be retained;

(2) Establish the manner in which the records and materials shall be maintained;

(3) Establish by whom the records shall be maintained; and

(4) Establish the period of time the records shall be retained, but such records shall be retained for not less than twenty-two (22) months.

SECTION 18. A NEW SECTION OF KRS CHAPTER 119 IS CREATED TO READ AS FOLLOWS:

Any person who shall have been convicted of any election law offense which is a Class A misdemeanor shall not be permitted to hold elective office for a period of five (5) years following the conviction. Any person who shall have been convicted of any election law offense which is a felony shall not be permitted to hold elective office until his civil rights have been restored by executive pardon.

SECTION 19. A NEW SECTION OF KRS 119.305 TO 119.325 IS CREATED TO READ AS FOLLOWS:

The county board of elections shall present to the grand jury next convening subsequent to each election the names of those election officials who failed to appear and serve at the election and who had not been properly excused. Any such person may be subpoenaed and inquiry made of his absence, and if no good cause be shown, he shall be subject to prosecution.

SECTION 20. A NEW SECTION OF KRS CHAPTER 411 IS CREATED TO READ AS FOLLOWS:

(1) There is hereby created a cause of action for any person who wishes to sue a person, organization, or other entity for any violation of an election law, including the buying of the vote of one (1) or more voters.

(2) A prevailing plaintiff may be awarded punitive damages plus court costs and legal fees.

(3) In such actions, the plaintiff shall have the burden to prove that a violation of the election laws has occurred and that the defendant committed the violation. The plaintiff shall not be required to prove that he or any other person suffered specific monetary damage as a result.

SECTION 21. A NEW SECTION OF KRS CHAPTER 452 IS CREATED TO READ AS FOLLOWS:

Franklin circuit court shall be a proper venue for all cases involving violations of campaign finance laws in which reports are required to be filed in Frankfort.

Section 22. KRS 116.025 is amended to read as follows:

(1) Every person, male or female, who is a resident of this state and has resided in the precinct in which he offers to vote thirty (30) days next preceding the day of any regular or special election, who possesses on the day of any election the qualifications set forth in Section 145 of the Constitution, exclusive of the durational residency requirements, who is not disqualified under that section or under any other statute, and who is registered as provided in this chapter, may vote for all officers to be elected by the people and on all public questions submitted for determination at that election, in the precinct in which he is qualified to vote. *Any person who shall have been convicted of any election law offense which is a Class A misdemeanor shall not be permitted to vote for a period of five (5) years following the conviction. Any person who shall have been convicted of any election law offense which is a felony shall not be permitted to vote until his civil rights have been restored by executive pardon.*

(2) Persons charged with or indicted for a crime, whether or not in custody for same, who have not yet been convicted of the said offense and who are not otherwise ineligible to vote, may vote for all offices to be elected by the people and on all public questions submitted for determination at that election, in the precinct in which he is qualified to vote.

(3) A registered voter who moves less than thirty (30) days before an election and is not permitted to register at his new residence may vote at his former residence either in person or by absentee vote.

Section 23. KRS 116.045 is amended to read as follows:

(1) Any person may register as a voter during the period registration is open if he possesses, or will possess on the day of the next regular election, the qualifications set forth in KRS 116.025.

(2) Except during implementation of the initial statewide registration, the county board of elections shall cause all registration to be closed the thirty (30) days prior to, and the five (5) days following, any primary or general election, and the ten (10) days prior to any special election. No voter shall be registered or be permitted to change his registration during the period that the registration is closed; except that, registration shall be closed only in those precincts in which the election is held.

(3) In all counties the county clerk[; ~~when authorized by the county board,~~] shall receive registration, transfers, or change of party affiliation at branch offices at any place in the county during those periods that the registration books are open. However, notice in the manner provided by KRS Chapter 424 must be given at least three (3), but not more than fourteen (14), days in advance of the time and place of any branch registration, and ten (10) days' written notice must be given to the county executive committee of each major political party in the county in which the branch registration is to be held.

(4) Any person may register to vote or may change his party affiliation in any of the following ways:

(a) In person;

(b) By mail;

(c) By means of the federal post card application, if the person is a resident of Kentucky and a member of the armed forces, or a dependent of members of the armed forces; or

(d) By such other methods of registration, or reregistration, as approved by the state board of elections, including the use of voluntary interested groups and political parties, under the proper supervision and directions of the county board of elections, which may include door to door canvassing.

(5) Upon receipt of the form prescribed by the state board of elections, properly filled out and signed by the applicant, the county clerk shall register the applicant.

(6) Any individual or group shall have access to a reasonable number of voter registration forms in the county clerk's office. Such individual or group shall return these completed forms to the county clerk for official registration by the county clerk.

~~[(7) The county clerk shall provide voter registration forms to each principal or assistant principal of every public high school; each area vocational school; and upon request, private schools, who shall designate a person in each school who shall be responsible for informing students and school personnel of the availability of the registration forms and assist them in registering with the party of their choice. The completed forms shall be returned to the county clerk; for official registration by the county clerk.]~~

Section 24. KRS 116.055 is amended to read as follows:

(1) Before a person shall be qualified to vote in a primary election, he ~~shall~~ **[must]** possess all the qualifications required of voters in a regular election. In addition, he ~~shall~~ **[must]** be a registered member of the party in whose primary election he seeks to vote, and ~~shall~~ **[must]** have been registered as a member of that party at the time of the preceding regular election, or, in the case of new registrations not involving a change of political affiliation made after the preceding regular election, have registered and remained registered as a member of that party. No person shall be allowed to vote for any party candidates other than that of the party of which he is a registered member. The qualifications shall be determined as of the date of the primary, without regard to the qualifications or disqualifications as they may exist at the succeeding regular election, except that minors who will become eighteen (18) years of age on or before the day of the regular election shall be entitled to vote in the primary if otherwise qualified. However, any registered voter, whether registered as a member of a party or as an independent, shall be qualified to vote in primary elections for candidates listed in *all* nonpartisan races ~~[and offices of the Court of Justice]~~.

(2) In order to determine a voter's qualifications in case of doubt, one (1) of the judges of election shall swear the person as to any of the qualifications, and when so sworn the clerk shall write upon the voter's registration card the words, "sworn as to qualification."

Section 25. KRS 116.125 is amended to read as follows:

(1) *In addition to the biennial purge required by Section 6 of this Act*, the county board of elections may, upon information known to it or furnished to it by any citizen, delete from the county register the name of any voter who is no longer properly registered and notify the voter by mail of its action. ~~[The county board of elections shall delete from the county register the name of any voter who is included in the data on deceased Kentucky residents furnished by the cabinet for human resources to the county clerk.]~~ If no protest is filed by the voter within thirty (30) days, his name shall be purged. If protest is filed, the county board shall hear the matter at its next regular monthly meeting and either retain or purge the voter's name. If any name is purged, the county board shall inform the state board of its action.

(2) If the name of any voter is purged from the county register as provided by subsection (1) of this section at such time that the registration period is closed for a particular election, and if the voter contends that actual notice of the deletion of his name from the register was not received, such voter shall be allowed to vote as provided by KRS 117.245.

Section 26. KRS 117.015 is amended to read as follows:

(1) There shall be a state board of elections which shall administer the election laws of the state and supervise registration and purgation of voters within the state. The board may adopt rules and regulations necessary to properly carry out its duties.

(2) The board shall consist of the secretary of state and six (6) members to be appointed as provided in this subsection. The members shall serve for a term of four (4) years or until their successors are appointed.

Members shall be at least twenty-five (25) years of age and qualified voters of this state. No appointed member shall be a candidate for public office, ~~or~~ have been a candidate for public office for two (2) years prior to his appointment *or have been convicted of any election law offense*. Two (2) members shall be appointed by each of the following officers: the governor, the president pro tem of the senate, and the speaker of the house. Such appointments shall be made by each officer from a separate list of at least five (5) names submitted by the state central executive committee of each of the two (2) political parties that polled the largest vote in the last preceding election for state officials. The list shall be submitted to the governor by February 15 in the year following the inauguration of the governor, and the appointments of the governor shall be made by April 15 of the same year. The separate lists shall be submitted to the president pro tem of the senate and the speaker of the house by August 15 of 1982 and every four (4) years thereafter, and appointments shall be made from these lists by September 15 of each year in which the lists are received. Vacancies shall be filled in the same manner as provided for original appointments, and the person appointed to fill the vacancy shall be of the same political party as his predecessor.

(3) The board shall meet as often as necessary to carry out its duties and shall keep a record of its acts, orders, findings and proceedings. A majority of the board shall constitute a quorum. The secretary of state shall preside at the meetings and may vote.

(4) The members of the board shall be paid a reasonable sum to be fixed by the commissioner of personnel, with the approval of the secretary of the finance and administration cabinet, and in addition, their expenses in attending board meetings. The compensation shall be paid out of the state treasury upon requisition signed by the chairman of the board and approved by the secretary of the finance and administration cabinet.

Section 27.”; and

On page 2, line 6, after “appointed,” by placing brackets around and strikes through “and”; and

On page 2, line 7, after “elections” by inserting “*and shall not have been convicted of any election law offense*”; and

On page 3, line 21, after “Section” by deleting “2” and inserting in lieu thereof “28”; and

On page 4, line 2, after “242.” by inserting “(2)”; and

On page 4, line 15, after “lists.” by inserting “*The lists shall contain the full name, address, phone number and social security number, if available, of each person listed. The lists shall be accompanied by a signed statement from each person stating that he is willing to serve, has not failed to serve without excuse in the past, and has not been convicted of an election law offense. The state board of elections shall prescribe by administrative regulation the form of the list.*”

(3) *The attorney general shall notify each county political party chairman of the duties of the party.*

(4)”; and

On page 4, line 19, after “submitted” by inserting “*the two (2) members of the county board of elections who are appointed by the state board of elections may submit lists, and the county board shall select the sheriff and one (1) judge from one (1) list and the clerk and the other judge from the remaining list. If no lists are submitted, the county board shall select the sheriff and one (1) judge from the membership of one (1) party and the clerk and the other judge from the membership of the remaining party.*”

(5)”; and

On page 4, line 19, after “submitted” by placing a bracket before “.” and on line 24 by placing a bracket after “election.” and placing strikes through therein; and

On page 5, after line 3, by inserting

“(6) *The state board of elections may require the county board of elections to submit its list of precinct officers for review. The state board of elections shall direct the removal of any election officer who the state board finds,*

based upon clear and convincing evidence, would not fairly administer the state election laws. The state board shall replace any officer so removed. Any election officer removed by the board may request a hearing before the board. The board shall provide for the method and manner of hearing by administrative regulation.”; and

On page 5, line 4, before “(2)” by inserting “(7)” and by bracketing and striking through “(2)”; and

On page 5, line 16, before “(3)” by inserting “(8)” and by bracketing and striking through “(3)”; and

On page 5, line 17, after “officer” by inserting “*is not present at the precinct at*”; and

On page 5, line 17, after “officer” by placing a bracket before “fails” and on line 18 by placing a bracket after “after” and placing strikethrough therein; and

On page 5, line 19, after “act,” by inserting “*and if no alternate is available,*”; and

On page 5, line 26, before “(4)” by inserting “(9)” and by bracketing and striking through “(4)”; and

On page 6, by deleting lines 12 through 26 in their entirety and by inserting in lieu thereof the following:

“Section 29. KRS 117.085 is amended to read as follows:

(1) All requests for an application for a special ballot and all applications for a special ballot shall be transmitted only by mail or in person as specifically provided by this section. *Except for qualified voters who apply pursuant to the requirements of KRS 117.075 and 117.077 and those who are incarcerated in jail but have yet to be convicted, no special ballots shall be mailed to an address within the county.* The county clerk shall provide, but only by the method provided by this section, a special ballot, two (2) official envelopes for returning the ballot, and instructions for voting to a voter who presents a completed application for a special ballot as provided in this section and who is properly registered as stated in his application. Application for a special ballot shall be made as follows:

(a) Any qualified voter in any county who shall be absent from the county on any election day or any person incarcerated in jail who has been charged for a crime but has yet to be convicted of the said crime may, at any time not less than seven (7) days before the election, make application in person or by mail to the county clerk for a special ballot. A single application shall entitle a voter who qualifies to receive two (2) ballots, as provided by this section, to receive both such ballots. All requests for an application for a special ballot and all applications for a special ballot shall be made in person or by mail, at the option of the voter, except that the county clerk shall hand an application for a special ballot to the voter who appears in person to request such application, or shall mail such application to a voter who requests such application by mail. Such application shall be restricted to use of the voter or the spouse, parents or dependent children of the voter; and

(b) Residents of Kentucky, who are members of the armed forces, or dependents of members of the armed forces, may apply for an absentee ballot by means of the federal post-card application. Such applications may be used to register, re-register and to apply for an absentee ballot. If the federal post-card application is received at any time not less than seven (7) days before the election, the county clerk shall affix his seal to such application form upon receipt.

(2) The clerk shall type the name of the voter on the application form for that person’s use and no other. The application form shall be in the form prescribed by the state board of elections, shall bear the seal of the county clerk and shall contain the following information: name, residential address, precinct, party affiliation, statement of absence on election day, statement of where the voter shall be on election day, statement of compliance with residency requirements for voting in said precinct and the voter’s mailing address for a special ballot. The form shall be verified and signed by the voter. A notice of the actual penalty provisions in KRS 117.995(2) and (4) shall be printed on the application.

(3) If the county clerk finds that the voter is properly registered as stated in his application, he shall mail to the voter a special ballot, two (2) official envelopes for returning the ballot, and instructions for voting:

(a) Except as otherwise provided by this subsection, special ballots which are requested prior to the printing

of such ballots shall be mailed by the county clerk to the voter within three (3) days of the receipt of such ballots; and special ballots which are requested subsequent to the receipt of such ballots by the county clerk shall be mailed to the voter within three (3) days of the receipt of such request;

(b) At any general election at which names of candidates to federal office shall appear on the ballot, certain voters shall be mailed only one (1) ballot, which shall include the names of all candidates for which such voters are entitled to vote. Voters to receive only one (1) ballot shall be those voters who shall be:

1. Outside the fifty (50) states on the day of the election but whose request for a special ballot shall be received subsequent to the printing of the ballot containing the names of all candidates for which such voters are entitled to vote; and

2. Within the fifty (50) states on the day of the election; and

(c) At any general election for which separate ballots shall be printed for candidates for election to federal office, voters who shall be outside the fifty (50) states on the day of the election and who request a special ballot prior to the printing of the ballot containing the names of candidates exclusive of candidates to federal office, shall receive two (2) ballots. The first ballot shall contain the names of candidates to federal office, and the second shall contain the names of all candidates for which the voter is entitled to vote, exclusive of candidates to federal offices.

(4) The clerk shall cause ballots to be printed for each primary or general election:

(a) Each primary, fifty (50) days prior to the primary;

(b) Each general election:

1. Names of candidates to federal office and no others, fifty (50) days prior to the election;

2. Names of the remaining candidates, thirty-eight (38) days prior to the election; and

3. Names of all candidates, thirty-eight (38) days prior to the election.

(5) The outer envelope shall bear the words "Special Ballot" and the address and official title of the county clerk and shall provide space for the voter's signature, voting address and precinct number. A detachable flap on the inner envelope shall provide space for the voter's signature, voting address, precinct number and notice of penalty provided in KRS 117.995(4). The clerk shall type the voter's address and precinct number in the upper left hand corner of the outer envelope and of the detachable flap on the inner envelope immediately below the blank space for the voter's signature. The inner envelope shall be blank. The clerk shall retain the application for twenty-two (22) months after the election.

(6) A list of persons to whom special ballots are mailed shall be posted in the clerk's office, for public inspection, and a list shall be included in the supplies sent to each precinct on election day and shall be posted at the polling place throughout the voting hours on election day.

(7) Any person who has received ~~been mailed~~ a special ballot but who *knows at least seven (7) days before the date of the election that he shall be in the county [his voting precinct] on election day and who has not voted pursuant to the provisions of KRS 117.086 shall [may] cancel his special ballot and vote in person. He shall return his special ballot to the county clerk's office no later than seven (7) days prior to the date of the election [if he appears at the county clerk's office at least seven (7) days prior to election day and returns his special ballot]*. Upon the return of the special ballot ~~[such personal appearance of the voter]~~, the clerk shall mark on the outer envelope of the sealed ballot or the unmarked ballot the words "Cancelled because voter appeared to vote in person." Sealed envelopes so marked shall not be opened. The clerk shall remove the voter's name from the list of persons who were sent special ballots, and the voter may vote in the precinct in which he is properly registered.

Section 30. KRS 117.086 is amended to read as follows:

(1) The voter utilizing a special ballot shall mark his ballot, seal it in the inner envelope and then in

the outer envelope and mail it to the county clerk as shall be provided by this chapter. The voter shall sign the detachable flap and the outer envelope in order to validate the ballot. In order to be counted, the ballots shall be received by the clerk by at least the time established by the election laws generally for the closing of the polls, which time shall not include the extra hour during which those voters may vote who were waiting in line to vote at the scheduled poll closing time.

(2) *Any voter who shall be absent from the county on election day, but who does not qualify to receive a special ballot by mail under the provisions of KRS 117.085, may execute a special ballot at the main office of the county clerk prior to the day of election. The county clerk shall designate a location within his office where the ballots shall be cast secretly. In counties containing a city of the first or second class, the county clerk may establish locations other than his main office in which such voters may execute special ballots, provided that public notice of the locations is given pursuant to KRS Chapter 424 and that similar notice by mail is given to the county chairmen of the two (2) political parties whose candidates polled the largest number of votes in the county at the last general election.*

(3) *The state board of elections shall issue administrative regulations to provide for casting ballots as provided in subsection (2) of this section.*

(4) The clerk shall deposit all of the returned ballots in a locked ballot box immediately upon receipt without opening the outer envelope. The ballot box shall be locked with three (3) locks. The keys to the box shall be retained by the three (3) members of the central special ballot counting board, if one is appointed, or by the members of the board of elections, and the box shall remain locked until the ballots are counted.

(5) ~~(3)~~ The clerk shall keep a list of all persons who return their voted ballots, and send a copy of that list to the state board after election day. The county clerk and the secretary of state shall keep a record of the number of special ballots cast in any election as a part of the official returns of the election.

Section 31. KRS 117.087 is amended to read as follows:

(1) The challenge of a special ballot must be in writing and in the hands of the county clerk before 3:00 p.m. on election day.

(2) The county board of elections shall count the special ballots. The board may appoint a central special ballot counting board of not less than three (3) members, who shall be qualified voters and no more than two-thirds (2/3) of whom shall be members of the same political party, to count the ballots at the direction of the county board of elections.

(3) Beginning at 3:00 p.m. on election day the board may meet at the clerk's office to count the special ballots. Candidates or their representatives shall be permitted to be present. The county board of elections shall authorize representatives of the news media to observe the counting of special ballots. The board shall open the boxes containing special ballots and remove the envelopes one (1) at a time. As each envelope is removed, it shall be examined to ascertain whether the outer envelope and the detachable flap are in proper order and have been signed by the voter. All unsigned special ballots shall be rejected automatically. The chairman of the county board of elections shall compare the signatures on the outer envelope and the detachable flap with the signature of the voter that appears on the registration card. If the outer envelope and the detachable flap are found to be in order the chairman shall read aloud the name of the voter. If the vote of such voter is not rejected on a challenge then made as provided in subsection (4) of this section, the chairman shall then remove the detachable flap and place the inner envelope unopened in a ballot box which has been provided for the purpose.

(4) When the name of a voter is read aloud by the chairman, the vote of such voter may be challenged by any board member or by the written challenge provided in subsection (1) of this section and the challenge thereto may be determined and the vote accepted or rejected by the board as if the voter was present and voting in person, but if the outer envelope and the detachable flap are regular, and substantially comply with the provisions of this chapter, they shall be considered as showing that the voter is prima facie entitled to vote. If the vote of a voter is rejected pursuant to the challenge, the outer envelope shall not be opened, and the chairman shall write on the envelope the word "rejected".

(5) After the challenges have been made and all the blank inner envelopes have been placed in a ballot box, the box shall be thoroughly shaken so as to redistribute the ballots in the box. The board shall then open the ballot box, remove the special ballots from the inner envelopes, count and record the special ballot

votes on a form provided by the state board.

(6) [Except as otherwise required by this chapter that certain records and papers relative to specified elections be retained for twenty-two (22) months, the county clerk shall retain the ballots, detachable flaps and the outer envelopes for thirty (30) days, at which time they shall be destroyed in such a manner as to render them unreadable by the county board of elections. If a contest or recount proceeding is instituted during said thirty (30) day period, the ballots shall not be destroyed but shall be disposed of as directed by the court in which such proceeding was instituted.

(7) The county board of elections shall make public the special ballot results after 6:00 p.m.; and

Section 32. KRS 117.235 is amended to read as follows:

(1) No person, other than the election officers and challengers, shall be permitted within the voting room while the vote is being polled, except for the purpose of voting or except by authority of the election officers to keep order and enforce the law.

(2) No officer of election shall do any electioneering on election day.

(3) No person shall do any electioneering at the polling place or within a distance of five hundred (500) feet nor shall any person do any exit polling within two hundred fifty (250) feet [fifty (50) foot perimeter] of any entrance to a building in which a voting machine is located if that entrance is unlocked and is used by voters [the voting machine] on election day unless the fiscal court or legislative body of an urban-county government specifically authorizes by ordinance on a county wide basis a greater distance from the polling place within which electioneering may be permitted, but in no case shall electioneering be allowed within five hundred (500) feet nor shall exit polling be allowed within two hundred fifty (250) feet [a fifty (50) foot perimeter] of any entrance to a building in which a voting machine is located if that entrance is unlocked and is used by voters [the voting machine]. Electioneering shall include the displaying of signs, the distribution of campaign literature, cards or handbills, the soliciting of signatures to any petition, or the solicitation of votes for or against any candidate or question on the ballot in any manner, but shall not include exit polling. Any person conducting exit polls on election day shall register with the county clerk not less than seven (7) days before the day of the election. The clerk shall give the exit poller a document showing that he has registered, and the exit poller shall carry that document with him at the polls on election day.

(4) No voter shall be permitted to converse with others while in the voting room concerning their support or nonsupport of any candidate, party or issue to be voted on, except as provided in KRS 117.255.

(5) The election sheriff, under the supervision of the precinct election judges, shall enforce the election laws and maintain law and order within five hundred (500) feet [a fifty (50) foot perimeter] of any entrance to the building in which the voting machine is located if that entrance is unlocked and is used by voters [voting machine]. Assistance may be requested of any law enforcement officer.

Section 33. KRS 117.237 is amended to read as follows:

(1) A county board of elections, a clerk, judge/executive, sheriff, fiscal court, grand jury or the county chairman of either of the two (2) political parties which polled the largest vote in the preceding general election may request that the Kentucky state police patrol voting precincts in the county during the hours the polls are open on the day of any primary or regular or special election for the purpose of maintaining order and enforcing the election laws of the state. The state police shall investigate any reported violations of the election laws. Candidates may petition any of the aforementioned officers or bodies to request state police patrols of county voting precincts.

(2) The state police shall report the results of their investigation to the appropriate commonwealth and county attorneys prior to the time the polls close on election day.

Section 34. KRS 117.255 is amended to read as follows:

(1) The voter shall be instructed by the officers of election, with the aid of the instruction cards and the model, in the use of the machine, if the voter so requests.

(2) *Except for those voters who have been certified as requiring assistance on a permanent basis, no voter shall be permitted to receive any assistance in voting at the polls unless he makes and signs an oath that, by reason of inability to read English, or by reason of blindness or other physical disability he is unable to vote without assistance. The oath shall be upon a voter assistance form prescribed by the state board of elections. All persons assisting a voter shall execute the voter assistance form.*

(3) Upon making and filing with the judges such oath, the voter shall retire to the voting machine, with the judges, and one (1) of the judges shall then, in the presence of the other and the voter, operate the machine as the voter directs. The disabled person applying to vote may, if he prefers, be assisted by a person of his own choice who is not an election officer, except that the voter's employer, an agent of that employer, an officer or agent of that voter's union, or a candidate shall not assist the voter, nor shall a person assist more than two (2) voters on the date of any primary or regular or special election.

(4) The clerk shall swear the person accompanying the disabled or blind voter to operate the voting machine in accordance with the directions of the disabled or blind voter, and the disabled or blind voter and the person sworn shall then enter the voting booth and the one so sworn shall operate the machine for the disabled or blind voter as he directs.

(5) *Voters who require assistance on a permanent basis due to blindness or other physical disability may apply to the county board of elections for certification. Application may be made when registering to vote or completing the voter assistance form by indicating the reason for obtaining assistance is permanent. The county board of elections shall determine whether the applicant requires assistance on a permanent basis. The county board of elections shall cause the precinct roster of voters to indicate those voters who are certified to receive assistance permanently without signing voter assistance forms at the precinct.*

(6) Voting booth shall mean an area in which a voter casts his vote which is designed in such a manner that the secrecy of the vote is insured. No voter shall be assisted under this subsection unless the judges and the sheriff of election are satisfied of the truth of the facts stated in the oath. The voter shall state in his oath the specific physical disability that requires him to receive assistance, and the judges of election shall enter in writing, on a record of assisted voters, the voter's name and the specific physical disability which required him to receive assistance.

(7)~~(3)~~ No voter shall be permitted to occupy the voting machine more than two (2) minutes if other voters are waiting to use it.

(8)~~(4)~~ In primary elections, before a voter is permitted to use the voting machine, a judge of the election shall adjust the machine so that the voter will only be able to vote for the persons for whom the voter is qualified to vote.

(9)~~(5)~~ If the machine is so constructed as to require adjustment after one (1) person has voted before another person may vote, the judges of election shall so adjust it after each person has voted.

(10)~~(6)~~ The election officers shall constantly maintain a watch in order to prevent any person from voting more than once.

(11)~~(7)~~ In elections for president and vice president, if a voter is eligible to vote only for the office of president and vice president a judge of the election shall adjust the machine so that the voter will only be able to vote for president and vice president.

(12)~~(8)~~ If supplemental paper ballots have been approved, as provided in KRS 118.215, the voter shall vote his ballot in privacy in a booth provided for that purpose by the county clerk. If the voter spoils his ballot, he shall return the spoiled paper ballot to an election official who shall stamp the ballot "Spoiled," initial and place the spoiled ballot in an envelope provided for that purpose. The voter shall then be issued a second supplemental paper ballot. Upon completion of voting, the voter shall remove the numbered stub from the ballot, hand the stub to an election official and deposit the voted ballot in the locked ballot box in the presence of precinct election officials.

Section 35. KRS 117.345 is amended to read as follows:

(1) The cost of all elections held in any county shall be allowed by the fiscal court and paid by the county

treasurer, except as otherwise provided by law.

(2) When the cost of any election has been allowed by the fiscal court and paid by the county treasurer, and within sixty (60) days following the date of the election, the county treasurer shall certify a statement of the number of precincts in the county, the date and kind of election to the state board of elections. The certification shall be filed within ninety (90) days after the election. Upon receipt of the certification and upon being satisfied as to the correctness thereof, the state board of elections shall issue its warrant upon the state treasurer in favor of the county treasurer for the amount of *three hundred five dollars (\$305)* [~~eighty-five dollars (\$85)~~] for each precinct in the county. All sums paid under this section shall be in addition to any sum paid by the state for ballot paper in elections.

(3) Payments to any county under the provisions of subsection (2) of this section shall be terminated if and whenever it fails to renew a lease, contract, or lease and option with the state property and buildings commission executed in connection with the acquisition of voting machines by the commission for the use of such county; and payments to any county shall be terminated whenever such county fails to pay any part of the rentals required for any effective period of the lease.

Section 36. KRS 117.995 is amended to read as follows:

(1) Any person who violates any provision of this chapter, or who willfully does any act that will accomplish a result intended to be prevented, or that will prevent from being accomplished a result intended to be permitted, shall be fined not less than one hundred dollars (\$100) nor more than one thousand dollars (\$1,000), or imprisoned in the county jail for not more than one (1) year, or both.

(2) Any county clerk or [-] member of the county board of elections [~~or any election officer~~] who willfully violates any of the provisions of this chapter, including furnishing applications for special ballots to persons other than those specified by the provisions of this chapter and failure to type the name of the voter on the application form as required by the provisions of this chapter, [~~and including failure to enforce the prohibition against electioneering established by KRS 117.235,~~] shall be confined in the penitentiary for not less than one (1) nor more than *five (5)* [~~three (3)~~] years.

(3) Any officer who willfully or neglectfully fails to prepare or furnish ballot labels or special ballots or fails to allow a qualified voter to cast his vote on the machine as required of him by this chapter shall be fined not less than one thousand dollars (\$1,000) nor more than two thousand dollars (\$2,000) for each offense, and in addition thereto may be confined in the county jail for not less than sixty (60) days nor more than six (6) months.

(4) *Any election officer who knowingly and wilfully violates any of the provisions of this chapter, including failure to enforce the prohibition against electioneering established by KRS 117.235, shall be confined in the penitentiary for not less than one (1) year nor more than five (5) years.*

(5) Any person who signs a name other than his own on an application for a special ballot or on the verification form for such ballot, or any person who votes a special ballot other than the one (1) issued in his name, or any person who applies for such ballot for the use of anyone other than himself or such person as shall be designated by the provisions of this chapter, or any person who makes a false statement on an application for a special ballot shall be fined not less than one hundred dollars (\$100) nor more than one thousand dollars (\$1,000) or imprisoned in the county jail for not more than one (1) year, or both.

(6)[(5)] Any person who violates any provision of KRS 117.235 related to prohibited activities on election day after he has been duly notified of such provisions by the sheriff of the election precinct shall, for each offense, be fined not less than one hundred dollars (\$100) nor more than one thousand dollars (\$1,000) or imprisoned in the county jail for not more than one (1) year, or both.

(7) Any person who shall have been selected to serve as an election officer but who shall knowingly and wilfully fail to serve and who is not excused by the county board of elections as provided in this chapter shall be fined not less than one hundred dollars (\$100) nor more than one thousand dollars (\$1,000), and shall be ineligible to serve as an election officer for a period of *five (5)* years.

(8) Any person who knowingly and wilfully prepares or assists in the preparation of an inaccurate voter assistance form shall be guilty of a class A misdemeanor for the first offense and a class D felony for each subsequent offense; however, if a voter has been permanently certified as requiring voting assistance, there shall

be no offense for the failure of the voter to complete the form.

Section 37. KRS 118.035 is amended to read as follows:

(1) The polls shall be opened at 6:00 a.m., prevailing time, and remain open continuously until 6:00 p.m., prevailing time. Any voter who is waiting in line at the polls to cast his vote at closing time, and who has been unable to cast his vote before closing time because of the large numbers of voters casting their votes, shall be allowed to cast his vote as soon after closing time as practicable; provided, however, that no vote shall be cast after 7:00 p.m. No voter who arrives at the polls after 6:00 p.m., prevailing time, shall be allowed to cast his vote.

(2) Any person entitled to a vote at any election in this state shall, if he has made application for leave prior to the day he appears before the county clerk to request an application for *or to execute* a special ballot, or prior to the day of election, be entitled to absent himself from any services or employment in which he is then engaged or employed for a period of four (4) hours on the day he appears before the clerk *to request an application for or to execute a special ballot*, during normal business hours of the office of the clerk or on the day of the election between the time of opening and closing the polls.

(3) *Any person selected to serve as an election officer shall be entitled to absent himself from any services or employment in which he is then engaged or employed for a period of an entire day to attend training or to serve as an election officer.* Such person shall not, because of so absenting himself, be liable to any penalty. The employer may specify the hours during which the employee may absent himself. No person shall refuse an employee the privilege hereby conferred, or discharge or threaten to discharge an employee or subject an employee to a penalty, because of the exercise of the privilege.

Section 38. KRS 118.235 is amended to read as follows:

(1) The county clerk of each county shall publish pursuant to KRS chapter 424 and shall post notice at the courthouse, under the proper party designation and title of each office the names of all persons certified to him by the secretary of state, in the order in which they were certified, and of all persons for whom nomination papers have been filed with the county clerk. Only the names of persons who have substantially complied with provisions of KRS 118.125 to 118.165 shall be published. The names shall be published in the order in which they are to appear on the voting machine.

(2) *The state board of elections shall prepare a summary of election statutes which, in its judgment, are intended to ensure the integrity of the election process. The summary shall include penalties for violation. Concurrent with the publication of the list of candidates, the county clerk shall publish this summary.* The county shall pay the cost of printing.

Section 39. KRS 118.305 is amended to read as follows:

(1) Except as provided in KRS 118.345, and subject to the provisions of subsections (2) and (3) of this section, the county clerk of each county shall cause to be printed for the voting machines and on the special ballots for the regular election the names of the following persons:

(a) Candidates of a political party, as defined in KRS 118.015, who have received certificates of nomination at the preceding primary election, or certificates of nomination under KRS 118.185, and whose certificates of nomination have been filed with the secretary of state or the appropriate county clerk;

(b) Candidates of a political party, as defined in KRS 118.015, who have been nominated for an unexpired term in a manner determined by the governing authority of the party, as provided in KRS 118.115, and whose evidences of nomination have been filed with the secretary of state or the appropriate county clerk within the time prescribed in this chapter;

(c) Candidates of a political party, as defined in KRS 118.015, who have been nominated by the governing authority of the party to fill a vacancy in the candidacy of a person nominated at the preceding primary election, as provided in KRS 118.105, and whose certificates of nomination have been filed with the secretary of state or the appropriate county clerk, by at least the date provided by the election law generally for such filing;

(d) Candidates who have been nominated by a political organization as provided in KRS 118.325 and whose certificates or petitions of nomination have been filed with the secretary of state or the appropriate county clerk within the time prescribed in this chapter;

(e) Independent candidates who have been nominated by petition as provided in KRS 118.315, and whose petitions of nomination have been filed with the secretary of state or the appropriate county clerk within the time prescribed in this chapter;

(f) *Successful nominees of all nonpartisan primaries which shall have been conducted;*

(g) *Candidates who have filed a petition of candidacy as shall be required to fill a vacancy which shall appear on the ballot;*

(h) Where a vacancy in a candidacy occasioned by the death, removal or resignation of a candidate before the election and after the ballot labels have been prepared is filled by the chairman of the state, district or county political organization as provided by law, the chairman shall furnish to the county clerk a sufficient number of printed ballot labels bearing the name of the new candidate to replace those bearing the name of the candidate with respect to which the vacancy has occurred. If such ballot labels are furnished to the clerk before the machines are delivered to the election precincts, the clerk shall cause them to be inserted in the proper ballot frames. If they are furnished after the machines have been delivered to the election precincts, the county clerk shall cause the ballot labels to be delivered to the clerk of each precinct, with directions as to insertion in the proper ballot frames;

(i)(~~g~~) Candidates for president and vice president of the United States, of those political parties and organizations who have nominated presidential electors as provided in KRS 118.325, where the certificate of nomination of such electors has been filed with the secretary of state within the time prescribed in this chapter; and

(j)(~~h~~) Candidates for soil and water district supervisors who have been nominated by petition as provided in KRS 262.210.

(2) Candidates for members of boards of education shall have their names printed on ballot labels and special ballots for the regular election only after filing as provided in KRS 160.220.

(3) Except as provided in KRS 118.105 and 118.115, the name of no candidate shall be printed upon the ballot labels and special ballots for any regular election as the nominee of any political party, as defined in KRS 118.015, or under the emblem of any political party, as so defined, except those candidates who have been duly and regularly nominated as nominees of that party at a primary election held as provided in this chapter.

(4) No county clerk shall knowingly cause to be printed, upon the ballot labels or special ballots for any regular election, the name of any candidate of a political party, as defined in KRS 118.015, who has not been nominated in the manner provided in the primary election laws or the name of any candidate who is not in compliance with the restrictions concerning party registration and candidacy provided in subsection (1) of KRS 118.315.

(5) The names of candidates for president and vice president shall be certified in lieu of certifying the names of the candidates for presidential electors.

(6) Whenever a vacancy occurs in an elective office which is required by law to be filled temporarily by appointment, the officer or body designated by law to make the appointment, or in the case of an office to be filled by appointment from a list of nominations, the officer or body designated by law to make the nominations, shall immediately notify in writing both the county clerk and secretary of state of the vacancy.

Section 40. KRS 119.205 is amended to read as follows:

(1) Any person who receives a bribe for his vote at an election, or for his services or influence in procuring a vote at an election, shall be fined not less than *one thousand* ~~[fifty]~~ dollars *(\$1,000)* ~~[\$50.00]~~ nor more than *ten thousand* ~~[five hundred]~~ dollars *(\$10,000)* or be confined in the penitentiary for not less than *one* ~~(1)~~ nor more than *five* ~~(5)~~ years, or both ~~[\$500]~~, and shall be excluded from office and suffrage upon conviction.

(2) Any person who bribes, *conspires to bribe another or assists to bribe* another shall be fined not less than *one thousand* [fifty] dollars (\$1,000) [~~(\$50.00)~~] nor more than *ten thousand* [one hundred] dollars (\$10,000) [~~(\$100)~~], or be confined [imprisoned] in the penitentiary [county jail] for not less than *one (1) year* [ten (10) days] nor more than *five (5) years* [ninety (90) days], or both, and upon conviction shall be excluded from office and suffrage.

(3) "Bribe," as used in this section, means any reward, benefit or advantage, present or future, to the person influenced or intended to be influenced, or to another at his instance, or the promise of such reward, benefit or advantage; it includes money or other thing of value given or lent to be wagered on the result of an election, or the promise thereof, or a bet with another that such other will vote for a named candidate, and the gift or promise of a share in any such bet made or to be made.

(4) Any person who receives money or other thing of value to be used for the purpose of procuring or influencing a vote shall be deemed to have been bribed.

(5) (a) *Any candidate or person working on behalf of any candidate who knowingly makes payment to another or any person who receives payment from such candidate or person for services rendered or goods furnished, including advertising, in excess of that normally charged for such services or goods, shall be fined not less than fifty dollars (\$50) nor more than five hundred dollars (\$500) or imprisoned in the county jail for not less than ten (10) nor more than ninety (90) days, or both.*

(b) *No candidate nor committee, nor any person on their behalf, shall pay any person more than the reasonable value thereof for transporting voters to the polls on the day of an election. All such payments shall be by check and no portion of such payment shall be paid to any of the persons transported. Any person found guilty of a violation of this subsection shall be fined not less than fifty dollars (\$50) nor more than five hundred dollars (\$500) or imprisoned in the county jail for not less than ten (10) nor more than ninety (90) days or both.*

Section 41. KRS 119.305 is amended to read as follows:

Election officers shall give information of all infractions of the election laws to the grand jury, [or] commonwealth's attorney, *attorney general and the registry of election finance. The election officers shall cooperate in any investigation or prosecution of election law violations.* When there is reason to fear that an offender will escape out of the county before indictment, any election officer may procure his immediate apprehension.

Section 42. KRS 119.345 is amended to read as follows:

(1) *At the discretion of the prosecuting attorney, in any prosecution under the election laws it shall be no exemption for a witness that his information [testimony] may criminate himself, and [but] no such information [testimony] given by a witness shall be used against him in any prosecution, except for perjury, and if used on behalf of the commonwealth he shall stand discharged from all penalties for any violation of the election laws so necessarily disclosed in the information he so discloses [his testimony] as tending to convict the accused.*

(2) The statement of any person testifying in any case pending under the provisions of KRS 121.025, 121.045, 121.055, or subsection (1) of KRS 121.310 shall not be used against him in any prosecution or civil proceeding.

Section 43. KRS 121.110 is amended to read as follows:

(1) There is hereby created as an independent agency of state government a Kentucky registry of election finance. The registry shall be composed of *seven (7)* [five (5)] members appointed [by the governor] as provided herein. The registry shall remain independent of any other agency or department of state government.

Members shall be at least twenty-five (25) years of age, registered voters in Kentucky, not an announced candidate for public office, not an officer of a political party's state central executive committee, shall not have been convicted of an election offense, and shall be persons of high ethical standards who have an active interest in promoting fair elections. Appointees shall be subject to senate confirmation at the next regular session of the general assembly following appointment, or at the next special session if included in the governor's call. Appointees shall have full power to serve until any vote of nonconfirmation.

(2) *Members of the registry shall be selected as follows:*

(a) One (1) member shall be appointed by the governor from a list of three (3) nominees submitted by the state central committee of the political party polling the largest vote at the last gubernatorial election.

(b) One (1) member shall be appointed by the governor from a list of three (3) nominees submitted by the state central committee of the political party polling the second largest vote at the last gubernatorial election. The members appointed pursuant to subsections (a) and (b) of this section shall take office on August 15, 1990 for a term of one (1) year and their successors shall serve a term of four (4) years beginning August 15, 1991, or until their successors are appointed and qualified.

(c) Two (2) other members shall be appointed by the governor from different political parties. Before making these appointments, the governor shall solicit nominations from at least two (2) organizations which have demonstrated a nonpartisan interest in fair elections and informed voting. The governor's solicitations and the replies shall be public records. The governor shall give due consideration to such nominations. The two (2) members appointed pursuant to this subsection shall be one (1) from each of the two (2) political parties which polled the greatest number of votes at the last gubernatorial election. Members appointed pursuant to this subsection shall take office on August 15, 1988 for a term of four (4) years or until their successors are appointed and qualified and their successors shall serve a term of four (4) years.

(d) One (1) member shall be appointed by the lieutenant governor after soliciting nominations as provided by subsection (c) of this section. The appointee shall be a member of one (1) of the two (2) political parties which polled the greatest number of votes at the last gubernatorial election. The member appointed pursuant to this subsection shall take office on August 15, 1990, for a term of three (3) years or until his successor is appointed and qualified and his successors shall serve a term of four (4) years.

(e) One (1) member shall be appointed by the attorney general after soliciting nominations as provided by subsection (c) of this section. The appointee shall not be a member of the same political party as the person appointed by the lieutenant governor pursuant to subsection (d) of this section. The member appointed pursuant to this subsection shall take office on August 15, 1990 for a term of four (4) years or until his successor is appointed and qualified and his successors shall serve a term of four (4) years.

(f) One (1) member shall be appointed by the secretary of state after soliciting nominations as provided by subsection (c) of this section. The secretary of state's appointment shall be without regard to political affiliation. The member appointed pursuant to this subsection shall take office on August 15, 1990, for a term of three (3) years or until his successor is appointed and qualified and his successors shall serve a term of four (4) years. [Two (2) members shall be appointed from each of the two (2) political parties that polled the largest vote in the last preceding election for state officers or presidential electors. The state central committees of the two (2) parties shall each submit a list of three (3) names to the governor and the appointments shall be made from these lists. The list shall be submitted on or before July 15, following June 16, 1966, and at the same time every four (4) years thereafter. The members shall take office on August 15 succeeding the submission of the list and serve for a term of four (4) years or until their successors are appointed and qualified.]

(3) The members of the registry shall select a chairman from among the appointed membership, effective August 15, 1990. The chairman shall serve in that capacity for one (1) year and shall be eligible for reelection. [The appointed members shall within thirty (30) days after qualifying and assuming office submit a list of two (2) persons from which the governor within thirty (30) days from its receipt shall appoint the fifth member, who shall serve as chairman. The term of the fifth member shall end on the same day as the terms of the appointed members.] The chairman shall preside at all meetings and shall have all the powers and privileges of the other members.

(4) In the event of a vacancy in the office of any member, the vacancy shall be filled in the same manner as the vacating member's office was filled pursuant to subsection (2) of this section [appointed from the list furnished by a political party, the vacancy shall be filled from a list of three (3) submitted by the state central committee of the party to which that member belonged. In the event of a vacancy in the office of chairman, the appointment shall be made in the same manner as the original appointment. All appointments to fill a vacancy shall be for the unexpired term or until a successor is appointed and qualified.

(5) The list to be submitted to the governor for the office of chairman, or to fill a vacancy in that office, shall not be compiled at a time when a vacancy exists in any of the other four (4) offices.

(6) The members of the registry shall be at least twenty-five (25) years of age and shall be registered

voters of Kentucky].

(5)(7) The registry shall fix the place and time of its regular meetings by order duly recorded in its minutes. No action shall be taken without a quorum present. Special meetings shall be called by the chairman on his own initiative or on the written request of *three (3)* ~~two (2)~~ members. Members shall receive seven (7) days' written notice of a special meeting and the notice shall specify the purpose, time and place of the meeting, and no other matters may be considered, without a specific waiver by all the members.

(6)(8) The members of the registry shall receive sixty-five dollars (\$65) per diem, and shall be reimbursed for all reasonable and necessary expenses.

Section 44. KRS 121.120 is amended to read as follows:

(1) The registry shall appoint a full-time executive director, legal counsel and an accountant for auditing purposes, all of whom shall serve at the pleasure of the registry. The registry shall also appoint such other employees as are necessary to carry out the purposes of this chapter.

(2) ~~It shall be the duty of~~ The registry *may* ~~to~~ conduct hearings with regard to possible violations and for the effectual carrying out of its responsibilities the registry shall have the authority to initiate a civil action in any court of competent jurisdiction for the purpose of enforcing compliance with the provisions of this chapter or enjoining violations thereof or recovering any penalty prescribed by this chapter.

(3) The registry shall adopt such regulations, official forms and perform such duties as are necessary to implement the provisions of KRS 121.015 and 121.110 to 121.200. Without limiting the generality of the foregoing the registry shall:

(a) Develop prescribed forms for the making of the required reports;

(b) Prepare and publish a manual for all candidates and committees, describing the requirements of the law, including uniform methods of bookkeeping and reporting and requirements as to reporting dates and the length of time that candidates and committees are required to keep any records pursuant to the provisions of this chapter;

(c) Develop a filing, coding and cross-indexing system;

(d) Make each report filed available for public inspection and copying during regular office hours at the expense of any person requesting copies of the same;

(e) Preserve all reports for at least four (4) years from the date of receipt;

(f) Prepare and make available for public inspection a summary of all reports grouped according to candidates and parties, containing the total receipts and expenditures, and the date, name, address and occupation, and amount contributed by each contributor, listed alphabetically, shown to have contributed in excess of three hundred dollars (\$300);

(g) Prepare and publish an annual report with cumulative compilations named in paragraph (f) of this subsection;

(h) Distribute upon request, for a nominal fee, copies of all summaries and reports;

(i) Determine whether the required reports have been filed and if so, whether they conform with the requirements of this chapter; give notice to delinquents to correct or explain defections; issue an order, if appropriate, as provided in KRS 121.140(2); make public the fact that a violation has occurred and the nature thereof;

(j) Hold public hearings, investigate any violations in reporting, and issue subpoenas for the production of any books, papers, correspondence, memorandums or other records and the attendance of witnesses which the registry deems relevant or material for the purpose of any investigation;

(k) Conduct random audits of receipts and expenditures of candidates running for city, county, urban-county government, and district offices. When the registry audits the records of any selected candidate, it shall also audit the records of all other candidates running for the same office in the selected city, county, urban-county government, or district office;

(l) Conduct audits of receipts and expenditures of all candidates running for statewide office;

(m) Candidates shall maintain their records for a period of four (4) years from the date of the general election in their respective political races;

(n) *Initiate investigations and* make investigations with respect to reports upon complaint by any registered voter and to initiate proceedings on its own motion; and

(o) Forward to the attorney general [~~or to the appropriate Commonwealth's attorney~~] any violations of this chapter which may become the subject of civil prosecution.

Section 45. KRS 121.140 is amended to read as follows:

(1) Upon the sworn complaint of any person, or on its own initiative, the registry shall investigate alleged violations of *campaign finance* [~~this~~] law. [~~Not later than five (5) days after the registry receives a sworn complaint, or after it decides to investigate on its own initiative, it shall give notice of the investigation to the person complained against. The person complained against shall be given five (5) days from receipt of notice of the investigation in which to respond to the complaint of alleged violations of this law. Not later than five (5) days after receipt of a response from the person complained against, the registry shall:~~

(a) Acknowledge receipt of the complaint to the complainant, where appropriate;

(b) Acknowledge receipts of the response from the person complained against; and

(c) ~~Notify, in writing, the person who made the complaint and the person complained against of what action, if any, the registry has taken or plans to take on the complaint together with the reasons for such action or non-action. If the registry does not decide within five (5) days of receipt of the response what action to take, it shall notify the person who made the complaint of the reasons for the delay and shall subsequently give him the appropriate notification.]~~

(2) When the registry concludes that there is probable cause to believe that the law has been violated, it may hold a hearing to determine if such violation has occurred. *In such event, the registry shall notify the complainant and the person complained against that a hearing shall be conducted of the specific offenses alleged not less than thirty (30) days prior to the date of the hearing.* If a hearing is held, the person complained against may choose whether the hearing shall be open or closed. At the hearing, the person complained against shall have all of the protections of due process, including but not limited to the right to be represented by counsel, the right to call and examine witnesses, the right to the production of evidence by subpoena, the right to introduce exhibits and the right to cross-examine opposing witnesses. When the registry determines that the preponderance of the evidence shows a violation has occurred, it shall issue an order to the violator to comply with any one (1) or more of the following requirements:

(a) To cease and desist violation of this law;

(b) To file any reports or other documents or information required by this law;

(c) To pay a penalty not to exceed one hundred dollars (\$100) a day, up to a maximum total fine of one thousand dollars (\$1,000), for failure to file any report or other document or information required by law until such report, document or information is filed, provided there shall be no maximum total fine for candidates for statewide office; or

(d) To pay a penalty not to exceed one hundred dollars (\$100) per violation for acts of noncompliance with provisions contained within this chapter except violations of KRS 121.150(2) and reporting requirements contained within this chapter.

(3) If the registry concludes that there is probable cause to believe that the campaign finance law has been violated willfully, it shall ~~may~~ refer such violation to the attorney general ~~[or to the appropriate local prosecutor]~~ for ~~[investigation and]~~ prosecution. The attorney general ~~may request the registry's attorney or the appropriate county or Commonwealth's attorney to prosecute the matter [or the appropriate local prosecutor shall have responsibility for prosecutions under the law]~~ and may request from the registry all evidence collected in its investigation. *In the event the attorney general or the appropriate local prosecutor fails to prosecute in a timely fashion, the registry may petition the circuit court to appoint the registry's attorney to prosecute, and upon such motion for good cause shown, the court shall enter an order to that effect. Prosecutions involving campaign finance law violations, in which the reports are required to be filed in Frankfort, may be conducted in Franklin Circuit Court.*

(4) Any person directly involved or affected by an action of the registry which is final, other than of a determination to refer a violation to the attorney general ~~[or to the appropriate local prosecutor]~~ for prosecution, may seek judicial review of such action.

(5) If judicial review is sought of any action of the registry relating to a pending election, the matter shall be advanced on the docket of the court. The court may take any steps authorized by law to accelerate its procedures so as to permit a timely decision.

Section 46. KRS 121.150 is amended to read as follows:

(1) No contribution of money or other thing of value, nor obligation therefor, shall be made or received, and no expenditure of money or other thing of value, shall be made or incurred; directly or indirectly, other than an "independent expenditure," to support or defeat a candidate in an election, except through the duly appointed campaign manager, or campaign treasurer of the candidate or registered committee. As used in this section, "independent expenditure" means one (1) made for a communication which expressly advocates the election or defeat of a clearly identified candidate and which is not made with any direct or indirect cooperation, consent, request or suggestion or consultation involving a candidate or his authorized committee or agent. Any person making an "independent expenditure" as defined herein must report these expenditures, when he exceeds three hundred dollars (\$300) per calendar year, on forms provided by the registry.

(2) The solicitation from and contributions by candidates and party executive committees to any religious, charitable, civic, eleemosynary or other causes or organizations established primarily for the public good is expressly prohibited; provided that it shall not be construed as a violation of this section for a candidate to continue regular personal contributions to religious, civic or charitable groups, of which he is a member or to which he has been a regular contributor for more than six (6) months.

(3) *No candidate, committee, or contributing organization, nor anyone acting on their behalf, shall accept any anonymous contribution in excess of one hundred dollars (\$100), and all such contributions in excess of one hundred dollars (\$100) shall be returned to the donor, if the donor can be determined. [Any anonymous contribution in excess of one hundred dollars (\$100) received by a campaign treasurer or committee shall not be used or expended, but shall be returned to the donor, if his identity is known, and] If no donor is found, the contribution shall escheat to the state.*

(4) No candidate, ~~[nor]~~ committee, ~~or contributing organization~~, nor anyone on their behalf, shall accept a cash contribution in excess of one hundred dollars (\$100).

(5) No candidate, committee, contributing organization, nor anyone on their behalf, shall accept any contribution in excess of one hundred dollars (\$100) from any person who shall not become eighteen (18) years of age on or before the day of the next general election.

(6) No candidate, nor committee or anyone acting for the candidate, shall accept a contribution of more than four thousand dollars (\$4,000) from any person, permanent committee, or contributing organization in any one (1) election. No person, permanent committee or contributing organization shall contribute more than four thousand dollars (\$4,000) to any one (1) candidate for governor, or anyone acting for the candidate, in any one (1) election.

(7) Except for permanent committees organized as of January 1, 1988, permanent committees or contributing organizations affiliated by bylaw structure or by registration, as determined by the registry of election finance, shall be considered as one (1) committee for purposes of applying the contribution limits of subsection (6) of this section.

(8) No permanent committee shall contribute funds to another permanent committee for the purpose of circumventing contribution limits of subsection (6) of this section.

(9) No person shall contribute more than three thousand dollars (\$3,000) to all permanent committees and contributing organizations in any one (1) year

(10) No person shall contribute more than six thousand dollars (\$6,000) to the state executive committee of a political party and their subdivisions and affiliates in any one (1) year [nor committee, nor anyone on their behalf, shall accept more than four thousand dollars (\$4,000) contributed by any one (1) person in any one (1) election to his campaign

(6) No person shall contribute more than four thousand dollars (\$4,000) to any one (1) candidate in any one (1) election].

(11)[(7)] No person shall make a contribution in the name of another person, and no person shall knowingly accept a contribution made by one (1) person in the name of another person.

(12)[(8)] No elected statewide official shall actively solicit contributions to retire a campaign debt during his term of office, nor shall such official accept contributions to retire his campaign debt during his term of office from any person receiving payment or compensation for services rendered pursuant to a contract with state government.

(13) No candidate for the office of governor shall make a personal loan to his committee in excess of fifty thousand dollars (\$50,000) in any one (1) election. No candidate for any other statewide elected state office shall lend to his committee any amount in excess of ten thousand dollars (\$10,000) in any one (1) election. In campaigning for all other offices, no candidate shall lend to his committee more than five thousand dollars (\$5,000).

Section 47. KRS 121.160 is amended to read as follows:

(1) Each candidate shall designate a campaign treasurer to act as his agent at the time and at the office with which he files as a candidate on a duplicate form prescribed and furnished by the registry and until this requirement is met the candidate shall be listed as his own treasurer and accountable as such. The candidate may appoint himself or any registered voter in Kentucky as his campaign treasurer. The office with which the candidate is required to file shall immediately forward to the registry the duplicate copy of the completed form designating the candidate's campaign treasurer and shall attach the original to the candidate's filing papers. The office with which the candidate files shall promptly notify the registry when a candidate withdraws.

(2) The duties of a campaign treasurer shall be to:

(a) Designate a depository bank for all campaign funds *and deposit all contributions in that depository;*

(b) Keep detailed and exact accounts of contributions in general and by name, address, age, if under legal voting age, and occupation where the contribution exceeds three hundred dollars (\$300); *the occupation listed for the contributor shall be specific. A general classification such as "businessman" shall be insufficient;*

(c) Make or authorize all expenditures on behalf of a candidate. Any expenditure in excess of *twenty-five dollars (\$25) shall be by check and the treasurer's records [one hundred dollars (\$100)]* shall disclose the name, address and occupation of every person or firm to whom made, and shall list the date and amount of such expenditure and *the treasurer shall keep a receipted bill for each; [and]*

(d) Maintain all receipted bills and accounts required by this section for a period of four (4) years from the date he files his last report under KRS 121.180(2)(a); *and*

(c) *Make no payment to any person not directly providing goods or services with the intent to conceal payment to another.*

(3) A candidate may remove a campaign treasurer at any time.

(4) In case of the death, resignation or removal of a campaign treasurer the candidate shall within three (3) days after receiving notice thereof by certified mail, return receipt requested, appoint a successor and shall file his name and address with the registry. The candidate shall be accountable as his own campaign treasurer if he fails to meet this filing requirement.

(5) A person may serve as campaign treasurer for more than one (1) candidate, but all reports must be made separately for each individual candidate.

(6) The candidate may pay a campaign treasurer a salary for his services which shall be considered a campaign expense and must comply with the reporting provisions of KRS 121.015 and 121.110 to 121.200 and those adopted by the registry.

Section 48. KRS 121.170 is amended to read as follows:

(1) Any committee organized, under any provisions of this chapter, shall register with the registry, by filing official notice of intention at the time of organization, giving names and addresses and positions of the officers of the organization and designating the candidate or candidates or question it is organized to support or oppose on forms prescribed by the registry. *The name of the committee shall reasonably identify to the public the sponsorship and purpose of the committee. The forms filed with the registry shall require the registrant to clearly identify the specific purpose, sponsorship and source from which the committee originates; and the registry shall refuse to allow filing by any committee until this requirement has been satisfied.*

(2) All provisions of KRS 121.015 and 121.110 to 121.200 governing the duties and responsibilities of a candidate or campaign treasurer shall apply to a registered committee.

(3) The chairman of a committee and the campaign treasurer shall be separate persons.

Section 49. KRS 121.180 is amended to read as follows:

(1) State and county executive committees shall make a full report, upon a prescribed form, to the registry, of all money, loans or other things of value, received from any source since the date of the last report, including the full name and [-] address of each contributor, and the age [-] if less than the legal voting age, and occupation of each person or group contributing in excess of three hundred dollars (\$300), the amount contributed by each and the date of the contribution, *whether the contribution was in cash*, and a complete statement of all expenditures authorized, incurred, or made. *The total amount of cash contributions received during the reporting period shall be listed as a separate item.* The complete statement of expenditures shall include the name and address of each person to whom an expenditure is made in excess of one hundred dollars (\$100) and the amount, date and purpose of each expenditure. This report shall be made to the registry within thirty (30) days after the regular primary and general elections. If an individual gives a reportable contribution to a state or county executive committee with the intention that the contribution or a portion of the contribution go to a candidate, the name of the contributor and the sum shall be indicated on the committee report. The receipts and expenditures of funds remitted to each political party under KRS 141.071 to 141.073 shall be separately accounted for and reported to the registry in the manner required by KRS 121.230. Such separate report may be made a separate section within the report required, by this subsection, to be submitted within thirty (30) days after each general election.

(2) Each campaign treasurer of an opposed candidate, who receives or expends, expects to receive or expend or contracts to expend more than three thousand dollars (\$3000), campaign committee or political issues committee shall make a full report, upon a prescribed form, to the registry, of all money, loans or other things of value, received by him from any source, since the date of the last report, including the full name and [-] address of each contributor, and the age [-] if less than the legal voting age, and occupation of each person or group contributing in excess of three hundred dollars (\$300), the amount contributed by each and the date of the contribution, *whether the contribution was in cash*, and a complete statement of all expenditures authorized, incurred, or made, including "independent expenditures," as defined in KRS 121.150(1). *The total amount of cash contributions received during the reporting period shall be listed as a separate item.* The complete statement of expenditures shall include the name, address, and occupation of each person to whom an expenditure is made in excess of one hundred dollars (\$100), and the amount, date and purpose of each expenditure. Reports of all candidates and their campaign committee shall be made as follows:

(a) Persons becoming candidates as defined in KRS 121.015(7) and campaign committees which register in the year before the year an election in which the person or persons supported are to be candidates occurs,

shall file financial reports with the registry at the end of the first calendar quarter after the person becomes a candidate or following registration of the committee, and each calendar quarter thereafter, ending with the last calendar quarter of that year. Such candidates and committees shall make all reports required by this section during the year in which the election takes place;

(b) All candidates and their campaign committees shall make reports on the thirty-second day preceding an election, including all previous contributions and expenditures;

(c) All candidates and their campaign committees shall make reports on the twelfth day preceding the date of the election; and

(d) All reports to the registry shall be postmarked within five (5) days of each filing deadline.

(3) All candidates, regardless of funds received or expended, and their campaign committee shall make post-election reports within thirty (30) days after the election.

(4) In making the preceding reports, the total gross receipts from each of the following categories shall be listed: proceeds from the sale of tickets for events such as testimonial affairs, dinners, luncheons, rallies and similar fund raising events, mass collections made at such events, and sales of items such as campaign pins, buttons, hats, ties, literature and similar materials. When any individual purchase or the aggregate purchases of any item enumerated above exceeds *one [three]* hundred dollars *(\$100) [(\$300)]*, the purchaser shall be identified by name, address, age, if less than the legal voting age, and occupation and the amount purchased shall be reported to the registry. Such lists shall be maintained by the campaign treasurer or other sponsor for inspection by the registry for four (4) years following the date of the election.

(5) Each permanent committee shall make a full report, upon a prescribed form, to the registry of all money, loans or other things of value, received by it from any source, since the date of the last report, including the *full name and [:] address of each contributor, and the age [:] if under the legal voting age, and occupation of each person or group contributing in excess of three hundred dollars (\$300) and if in cash it shall be so stated, and an aggregate amount of cash contributions shall also be reported*, the amount contributed by each and the date of the contribution, and a complete statement of all expenditures authorized, incurred or made, including "independent expenditures," as defined in KRS 121.150(1). This report shall be made to the registry on the last day of the first calendar quarter following the registration of the committee with the registry and on the last day of each succeeding calendar quarter until such time as the committee terminates.

(6) If the final statement of an opposed candidate shows an unexpended balance of contributions, continuing debts and obligations, or an expenditure deficit, the campaign treasurer shall file with the registry a supplemental statement of contributions and expenditures not more than thirty (30) days after the deadline for filing the final statement. Subsequent supplemental statements shall be filed semiannually by opposed candidates and annually by unopposed candidates, to be postmarked within ten (10) days after *April 15 and October 15 [June 30 and December 31]* for opposed candidates and *October 15 [December 31]* for unopposed candidates, until the account shows no unexpended balance, continuing debts and obligations, expenditures, or deficit. A candidate does not have to file supplemental reports if the debt is the candidate's personal note, except that an elected official who receives contributions subsequent to his election to retire his personal note, shall continue to file supplemental reports. All contributions made both prior and subsequent to the election shall be subject to the maximum individual contribution limit imposed by KRS 121.150.

(7) All reports filed under the provisions of this chapter shall be a matter of public record open to inspection by any member of the public immediately upon receipt of the report by the registry. A duplicate copy of each report filed with the registry shall be filed by the candidate or committee with the county clerk in the county in which the candidate resides at the same time. County clerks shall maintain these reports for public inspection for a period of one (1) year from the date the last report is required to be filed.

(8) If a candidate is unopposed in an election after the time prescribed by law for qualifying for nomination or election to the office, he shall not be required to file any pre-election reports required by KRS 121.015 and 121.110 to 121.200. The secretary of state and each county clerk shall notify the registry of all unopposed candidates within their filing jurisdiction within ten (10) days of the filing deadline.

(9) A candidate is relieved of the duty personally to file reports and keep records of receipts and expenditures if the candidate states in writing or on forms provided by the registry that:

(a) Within five (5) days after personally receiving contributions in excess of three thousand dollars (\$3,000), the candidate shall surrender possession of the entire contribution or contributions to the treasurer of his principal campaign committee

without expending any of the proceeds thereof. No contributions shall be commingled with the candidate's personal funds or accounts. Contributions received by check, money order, or other written instrument shall be endorsed directly to the political committee and shall not be cashed or redeemed by the candidate;

(b) The candidate shall not make any unreimbursed expenditure for his campaign, except that this paragraph does not preclude a candidate from making an expenditure from personal funds to his designated principal campaign committee, which expenditure shall be reported by the committee as a contribution received;

(c) The waiver shall continue in effect as long as the candidate complies with the conditions under which it was granted.

(10) No candidate as defined in this section, nor any committee as defined in this section shall use or permit the use of contributions or funds solicited or received for such person or in support of a public issue to further the candidacy of such person for a different public office or to further a different public issue. Any funds or contributions solicited or received by or on behalf of a candidate or any committee, which has been organized in whole or in part to further any candidacy for the same person, shall be deemed to have been solicited or received for the candidacy for which he is then a candidate if the funds or contributions are solicited or received at any time prior to the general election for which he is a nominee and for thirty days (30) thereafter. Any unexpended balance of funds not otherwise obligated for the payment of expenses incurred to further a political issue or the candidacy of a person shall, at the election of the candidate or committee, escheat to the state treasury, be returned pro rata to all contributors or, in the case of a partisan candidate, be transferred to the executive committee of the political party of which the candidate is a member except that a candidate, committee or an official may retain such funds to further the same political issue or to seek election to the same office.

Section 50. KRS 121.220 is amended to read as follows:

(1) Each candidate and each committee shall, before receiving any contributions or expending any money, designate one (1) primary campaign depository for the purpose of depositing all contributions received and disbursing all expenditures made by the candidate or committee. The candidate or committee may also designate one (1) secondary depository in each county in which an election is held and in which the candidate or committee participates. Deputy campaign treasurers may ~~make deposits in and~~ make expenditures from secondary depositories *but only from monies which first have been deposited in the primary campaign depository.* Only a financial institution authorized to transact business in Kentucky may be designated as a campaign depository. The candidate or committee shall file the name and address of each primary and secondary depository so designated at the same time the candidate or committee files the name of his or its campaign treasurer.

(2) All funds received by the campaign treasurer or any deputy campaign treasurer of any candidate or committee shall be deposited prior to the end of the fifth business day following their receipt in a campaign depository in an account designated "Campaign Fund of (name of candidate or committee)." A statement showing the full name, address and occupation of each contributor of more than three hundred dollars (\$300) shall be deposited together with a statement of the amount received. Cash contributions shall be accompanied by the same receipt form.

Section 51. KRS 121.990 is amended to read as follows:

(1) Any public service corporation engaged in business in this state, or any officer or agent of such corporation, or attorney or other person employed by such corporation, who willfully violates any of the provisions of KRS 121.025, shall be fined not more than ten thousand dollars (\$10,000), and, in the case of individuals, be imprisoned in the county jail for not less than thirty (30) days nor more than one (1) year.

(2) Any corporation other than a public service corporation, or any officer or agent of such a corporation, or attorney or other person employed by such a corporation, who willfully violates any of the provisions of KRS 121.025 with respect to the nomination or election of any state, county, city or district officer who, in his official capacity, is required by law to perform any duties peculiar to such corporation not common to the general public, or to supervise, regulate or control in any manner the affairs of such corporation, or to perform any duty in assessing the property of such corporation for taxes, shall be fined not more than

ten thousand dollars (\$10,000), and, in the case of individuals, be imprisoned in the county jail for not less than thirty (30) days nor more than one (1) year.

(3) Any corporation other than a public service corporation, or any officer or agent of such a corporation, or attorney or other person employed by such a corporation, who willfully violates any of the provisions of KRS 121.025 with respect to the nomination or election of any candidate other than those mentioned in subsection (2) of this section, shall be fined not more than one thousand dollars (\$1,000), and, in the case of individuals, be imprisoned in the county jail for not more than one (1) year.

(4) Any attorney who willfully violates any of the provisions of KRS 121.025 or 121.045 shall, in addition to the penalties prescribed in subsections (1), (2), (3) and (7) of this section, be disbarred from the practice of law in this state, and the judgment of conviction shall so declare.

(5) Any corporation that willfully violates any of the provisions of subsection (1) of KRS 121.035 shall be fined not less than five hundred dollars (\$500) nor more than five thousand dollars (\$5,000) for each offense, and upon conviction its charter shall be forfeited or its authority to do business revoked.

(6) Any person who willfully violates any of the provisions of subsection (2) of KRS 121.035 shall, for each offense, be fined not less than two hundred and fifty dollars (\$250) nor more than one thousand dollars (\$1,000), and imprisoned in the county jail for not less than three (3) months nor more than one (1) year.

(7) Any person who willfully violates any of the provisions of KRS 121.045 shall be fined not more than ten thousand dollars (\$10,000), and imprisoned in the county jail for not less than thirty (30) days nor more than one (1) year.

(8) Any person who willfully violates any of the provisions of KRS 121.055 shall be fined not more than five thousand dollars (\$5,000), or imprisoned in the county jail for not more than six (6) months, or both.

(9) Any person who willfully violates any provision of KRS 121.110 to 121.200 shall be punishable by a fine not exceeding one thousand dollars (\$1,000) or by imprisonment for not more than one (1) year, or both. Violations shall include but shall not be limited to any of the following acts or omissions:

- (a) Failure to make required reports or to file reports at times specified;
- (b) Making any false statement or report;
- (c) Giving money under a fictitious name; or
- (d) Making any communication to support or defeat a candidate without identification of sponsorship.

(10) The nomination for, or election to, an office of any candidate who willfully violates any provision of KRS 121.110 to 121.200, or whose campaign treasurer willfully violates any provision of KRS 121.110 to 121.200, with such candidate's knowledge, shall be void, and the office or candidacy shall be filled as provided by law for the filling of a vacancy. An action to declare a vacancy under this subsection may be brought by the registry, the attorney general, or any candidate for the office sought to be declared vacant, or any qualified voter.

(11) The attorney general, commonwealth's attorney, the registry, or any qualified voter may sue for injunctive relief to compel compliance with the provisions of KRS 121.110 to 121.200.

(12) The commonwealth's attorney for the county in which the candidate resides shall be the chief prosecutor upon receipt of a written request from the registry, shall prosecute any violator under this chapter, and in the event he fails or refuses to prosecute a violator, upon written request from the registry, the attorney general shall appoint a special prosecutor with full authority to carry out the provisions of this section.

(13) Any officeholder who willfully violates the provisions of KRS 121.150(7) shall be subject to removal from office by impeachment.

(14) Prosecution for violation of any provision of *this chapter* [~~KRS 121.110 to 121.200~~] shall not be commenced

after four (4) years have elapsed from the date of the violation. In the event the violator is an officeholder, the statute of limitations shall not run until one (1) year following expiration of his current term of office.

(15) Any person who willfully violates any of the provisions of subsection (1) of KRS 121.310 shall be fined not less than one thousand dollars (\$1,000) nor more than five thousand dollars (\$5,000), or imprisoned in the county jail for not more than six (6) months, or both.

(16) Any corporation that willfully violates any of the provisions of subsection (2) of KRS 121.310 shall be fined not less than five hundred dollars (\$500) nor more than five thousand dollars (\$5,000) for each offense, and upon conviction its charter shall be forfeited or its authority to do business revoked.

(17) Any person who willfully violates any of the provisions of KRS 121.320 shall be fined not less than fifty dollars (\$50) nor more than five hundred dollars (\$500), or imprisoned in the county jail for not less than ten (10) days nor more than thirty (30) days, or both.

(18) Any person who fails to pay a civil penalty, assessed by the registry for violation of campaign finance laws, shall be disqualified from filing for public office until such penalty is paid or the registry rules that settlement has otherwise been made.

Section 52. KRS 213.190 is amended to read as follows:

(1) The cabinet for human resources shall, upon request, furnish any applicant a certified copy of the record of any birth, death, or other record registered with such cabinet as provided by law when the cabinet is satisfied that the applicant has a direct, tangible and legitimate interest in the information or record requested. Any such certified copy shall be prima facie evidence of the facts therein stated.

(2) The applicant shall pay a reasonable fee set by regulation promulgated by the secretary for human resources which shall not exceed four dollars (\$4) for a copy of a death or other certificate or search of the files, if no copy is found. The applicant shall pay a fee of five dollars (\$5) for a copy of a birth certificate, one dollar (\$1) of which shall be collected for use by the cabinet for human resources for the sole purpose of contracting for the operation of private, not for profit self-help groups for parents who want to prevent or cease their physical, sexual or mental abuse of their children.

(3) No fee or compensation shall be allowed or paid for furnishing certificates of birth or death required in support of any claim against the government for compensation, insurance, back pay or other allowances of any person who has at any time served as a member of the army, navy, marine corps or air force of the United States.

(4) The cabinet shall notify the state board of elections, monthly, of the name, address, birth date, sex, race, and social security number of residents of the Commonwealth who died during the previous month [On January 1 and July 1 of each year, beginning in 1985, the cabinet for human resources shall furnish to each county clerk the name, address, birth date, sex, race and social security number of each resident of that county who has died since the date the previous data was submitted. The data submitted on January 1, 1985, shall include deaths since July 1, 1984]. Such data shall include only those persons who were over the age of eighteen (18) years at the date of death. No fee or compensation shall be allowed for furnishing such lists.

Section 53. The following KRS sections are repealed:

116.005 Preservation by county clerk of certain voting records.

116.105 County clerks fees.

116.115 Purge of voter from county roster on notice from state board — Protest hearing.

116.124 County clerk to make available to county board of elections data on deceased residents furnished by cabinet for human resources.

117.005 Preservation by county clerk of certain voting records.

117.185 Election officers, instruction and compensation.

118A.070 Eligibility of voters.

118A.180 Preservation of petitions and certificates.”.

Floor Amendment No. 4 to **SB 268**, by Representative Gedling:

Amend printed copy of GA Copy of **SB 268** on page 5, line 26, after “(4)” insert the following: “*Any election officer duly appointed shall receive the maximum pay for county officers as established by KRS 64.527 during that period that he remains an election officer in the county*”; and

On page 5, line 26, insert “[” before “Each” and strike through “Each” and the remaining language on the line; and

On page 6, strike through all language on lines 1 through 5; and

On page 6, line 6, strike through “officer serves”, and place “[” after “serves”.

Floor Amendment No. 5 to **SB 268**, by Representative Bruce:

Amend printed copy of House Floor Amendment 3 to **SB 268** on page 119, after line 3, by inserting the following:

“Section 50. KRS 121.190 is amended to read as follows:

(1) All newspaper or magazine advertising, posters, circulars, billboards, handbills, sample ballots and paid-for television or radio announcements with reference to or intended for, the support or defeat of a candidate or group of candidates for nomination or election to any public office shall be identified by the words “paid for by” followed by the name and address of the payer, or the committee, organization or association and its treasurer, on whose behalf the communication appears. For television and radio broadcasts, compliance with Federal Communications Commission regulations regarding sponsored programs and broadcasts by candidates for public office shall be considered compliance with this section.

(2) The management of newspapers and magazines shall keep a one (1) year record of all statements, articles, or advertisements referred to in subsection (1) of this section, that appear in their publications, however, nothing in subsection (1) of this section shall be construed to require editors or editorial writers of newspapers and magazines to identify themselves in the manner therein required with any article or editorial written by them as part of their duties as an employee or employer.

(3) *Radio, television or newspaper advertisements for state or local political candidates shall be prohibited on any Saturday, Sunday or Monday immediately prior to an election or on the day of any election.*”

On page 128, after line 4, by inserting the following:

(19) *Any candidate or any owner or employee of any radio or television station or of any newspaper who violates the provisions of Section 50 of this Act shall be subject to a fine of one thousand dollars (\$1,000) for each violation. Each separate announcement or advertisement shall be considered a separate offense.*”

And by renumbering the remaining sections accordingly.

Floor Amendment No. 1 to Committee Substitute to **SB 280**, by Representative Nett:

Amend printed copy of GA Copy of **SB 280/HCS** on page 1, after the enacting clause, to delete all remaining language in the bill and to insert in lieu thereof:

“Section 1. A NEW SECTION OF KRS CHAPTER 532 IS CREATED TO READ AS FOLLOWS:

(1) As used in this section, "mentally retarded" means significantly subaverage general intellectual functioning existing-concurrently with defects in adaptive behavior and manifested during the developmental period and the same being verified by two (2) independent psychologists, as defined in KRS 504.060.

(2) Notwithstanding any other provision of law, no person who is mentally retarded, as defined above, shall be sentenced to death or executed.

Section 2. KRS 531.010 is amended to read as follows:

As used in this chapter:

(1) "Distribute" means to transfer possession of, whether with or without consideration.

(2) "Matter" means any book, magazine, newspaper, or other printed or written material or any picture, drawing, photograph, motion picture, *video cassette*, or other pictorial representation or any statue or other figure, or any recording transcription or mechanical, chemical or electrical reproduction or any other articles, equipment, machines, or materials.

(3) "Obscene" means:

(a) ~~[To]~~ The average person, applying *local* contemporary community standards, *would find that the matter* ~~[the predominant appeal of the matter]~~, taken as a whole, *appeals [is]* to the prurient interest, ~~[in sexual conduct; and]~~ *In order for an item as a whole to be found or intended to have an appeal to the prurient interest, it is not necessary that the item be successful in arousing or exciting any particular form of prurient interest either in the hypothetical average person, in a member of its intended and probable recipient group or in the trier of fact; and*

(b) The average person, applying *local* contemporary community standards, *would find that the matter* depicts or describes ~~[the sexual conduct]~~ in a patently offensive way, *sexual conduct as that term is described in this section. Contemporary community standards shall be set by what is in fact accepted in the community as a whole; and*

(c) A reasonable person *would find that* the matter, taken as a whole, lacks serious literary, artistic, political, or scientific value.

(4) "Sexual conduct" means *actual or simulated acts of, whether involving persons or persons and animals:* ~~[acts of masturbation; homosexuality; lesbianism; bestiality; sexual intercourse; or deviant sexual intercourse; or physical contact with the genitals; flagellation, or excretion for the purpose of sexual stimulation or gratification.]~~

(a) *Sexual intercourse, including genital-genital, oral-genital, anal-genital or oral-anal, whether between persons of the same or opposite sex.*

(b) *Penetration of the vagina or rectum by any object except when done as part of a recognized medical procedure.*

(c) *Sexual bestiality.*

(d) *Masturbation.*

(e) *Sadomasochistic abuse.*

(f) *Lewd exhibition of the genitals, pubic or rectal areas of any person.*

(g) *Defecation or urination in the context of a sexual act.*

(5) "Simulated" means *any depicting of the genitals or rectal areas which gives the appearance of sexual conduct or incipient sexual conduct.*

(6) "Sodomasochistic abuse" means flagellation or torture by or upon a person clad in undergarments, a mask or bizarre costume, or the condition of being fettered, bound or otherwise physically restrained on the part of one (1) so clothed, for the purpose or in the context of sexual gratification or abuse.

(7) "Obscene device" means a device including a dildo or artificial vagina, designed or primarily used for the stimulation of human genital organs.

(8) "Knowledge of the content and character" means having general knowledge or awareness of the character of the matters or devices he distributed and that he knew the nature and character of the matters or devices, whether or not there is actual knowledge of the specific contents thereof. This knowledge may be proven by direct or circumstantial evidence or both.

Section 3. KRS 531.020 is amended to read as follows:

(1) A person is guilty of distribution of obscene matter when, having knowledge of its content and character, he:

- (a) Sends or causes to be sent into this state for sale or distribution; or
- (b) Brings or causes to be brought into this state for sale or distribution; or
- (c) In this state, he:

- 1. Prepares, or
- 2. Publishes, or
- 3. Prints, or
- 4. Exhibits, or
- 5. Distributes, or
- 6. Offers to distribute, or

7. Has in his possession with intent to distribute, exhibit or offer to distribute, any obscene matter or obscene device, or

8. Presents or participates in presenting the live, recorded or exhibited performance of any obscene matter to the public or an audience for consideration or commercial purpose, or

9. Owns, leases, or manages any theatre, building, structure, room, place, or commercial establishment and leases, lets, or permits the building, structure, room, place or commercial establishment to be used for the purpose of presenting obscene exhibitions or performances or for the purpose of distributing obscene matters or obscene devices.

(2) Distribution of obscene matter is a Class A [B] misdemeanor unless the defendant has in his possession more than one unit of material coming within the provisions of this chapter, in which case it shall be a Class D felony [A misdemeanor]. Subsequent violations of this section shall be a Class C felony.

SECTION 4. A NEW SECTION OF KRS CHAPTER 531 IS CREATED TO READ AS FOLLOWS:

(1) Expert testimony or other ancillary evidence shall not be required to determine obscenity if the allegedly obscene item has been placed in evidence. The matter itself shall be the best evidence of what it represents.

(2) The fact that other sexually explicit items are distributed in the local community shall not be admissible as evidence of the local contemporary community standard unless it is shown that:

(a) *The other item is similar to the item at issue. Similarity shall be measured by the degree of sexual explicitness and type of sexual conduct or activity depicted. It shall also be in a similar medium as the item at issue; and*

(b) *The other item enjoys a reasonable degree of community acceptance.*

SECTION 5. A NEW SECTION OF KRS CHAPTER 531 IS CREATED TO READ AS FOLLOWS:

The following items used or intended for use in violation of this chapter shall be subject to seizure and forfeiture pursuant to KRS 500.090.

(1) *All obscene matters and obscene devices which have been produced, published, copied, sold, possessed, rented, loaned, transported or transmitted in violation of this chapter.*

(2) *All property which is used or intended to be used as a container for property described in subsection (1) of this section.*

(3) *All conveyances including aircraft and motor vehicles which are used, or intended for use, to transport, or in any manner facilitate the transportation, sale, receipt, possession, or concealment of property described in subsection (1) of this section.*

(4) *All books, records, negatives, microfilm, film, and data which are used or intended to be used in violation of this chapter.*

(5) *All monies, negotiable instruments, securities or other things of value furnished by any person in exchange for any obscene matter or device, all proceeds traceable to such an exchange and all money, negotiable instruments or securities used or intended to be used to facilitate any violation of this chapter.*

(6) *All real property, including any right, title and interest in the whole of any lot or tract of land and any appurtenance and improvements, which is used or intended to be used, in any manner or part, to commit or facilitate the commission of a violation of this chapter.*

(7) *As to paragraph (6) of this section, no property shall be forfeited to the extent an owner, by reason of any act or omission established by that owner to have been committed or omitted without the knowledge or consent of that owner. As to any issue arising regarding "knowledge of character" or any obscene item or obscene device, the definition contained in section KRS 531.010 shall apply.*

(8) *The above provisions shall not include obscene matter or obscene devices merely possessed by an individual in the privacy of his own home and for no purpose in violation of this statute.*

SECTION 6. A NEW SECTION OF KRS CHAPTER 531 IS CREATED TO READ AS FOLLOWS:

(1) *Any sexually oriented business which exhibits on the premises in a viewing room or cubicle of less than one hundred fifty (150) square feet of floor space, a film, video cassette, or other video reproduction or live performance, which depicts specified sexual activities or specified anatomical areas, shall comply with the following requirements:*

(a) *The establishment shall submit to the local health department a diagram of the premises showing the location of one (1) or more manager's stations and the location of all overhead lighting fixtures and designating any portion of the premises in which patrons will not be permitted. A manager's station shall not exceed thirty-two (32) square feet of floor area. A professionally prepared diagram in the nature of an engineer's or architect's blueprint shall not be required; however, each diagram shall be oriented to the north or to some designated street or object and shall be drawn to a designated scale on which marked dimensions are sufficient to show the various internal dimensions of all areas of the interior of the premises to an accuracy of plus or minus six (6) inches.*

(b) *No alteration in the configuration of the interior of the premises shall be made without submitting a new diagram to the local health department.*

(c) The establishment shall have at least one (1) employe on duty and situated in each manager's station at all times that any patron is present inside the premises.

(d) The interior of the premises shall be configured in a manner providing an unobstructed view from the manager's station of every area of the premises to which any patron is permitted access for any purpose excluding restrooms. Restrooms shall not contain video reproduction equipment or be used for live performances. If the premises has two (2) or more manager's stations, then the interior of the premises shall be configured to provide an unobstructed view of each area of the premises to which any patron is permitted access for any purpose from at least one (1) of the manager's stations. The view required shall be by direct line of sight from the manager's station.

(e) No viewing room or cubicle shall be occupied by more than one (1) person at any time.

(f) It shall be the duty of the operator of the establishment, and it shall also be the duty of any agents, managers, and employes present in the premises, to ensure that the view specified in subsection (4) remains unobstructed by any doors, walls, merchandise, display racks or other materials at all times, and to ensure that no patron is permitted access to any area of the premises which has been designated as an area in which patrons will not be permitted.

(g) The premises shall be equipped with overhead lighting fixtures of sufficient intensity to illuminate every place to which patrons are permitted access.

(2) Unless the context otherwise requires:

(a) "Sexually oriented business" means any commercial establishment where, for any form of consideration, films, motion pictures, video cassettes, slides, or similar graphic reproductions, or live performances are regularly shown which depict "specified sexual activities" or "specified anatomical areas."

(b) "Specified anatomical areas" means the male genitals in a state of sexual arousal or the female vulva.

(c) "Specified sexual activities" means and includes any of the following:

1. The fondling or other erotic touching of the human genitals, pubic region, buttocks, anus, or female breasts;
2. Sex acts, normal or perverted, actual or simulated, including intercourse, oral copulation, or sodomy;
3. Masturbation, actual or simulated; or
4. Excretory functions as a part of or in connection with any of the activities as set forth in 1. through 3. above.

(3) Any person owning a sexually oriented business shall execute an ownership disclosure form with the local health department. If the person who owns a sexually oriented business is other than an individual, each individual who has a ten percent (10%) or greater interest in the business shall sign the ownership disclosure form. If a corporation is listed as owner of a sexually oriented business, each individual having a ten percent (10%) or greater interest in the corporation shall sign the ownership disclosure form. All signatures shall be notarized.

(4) Within thirty (30) days of the transfer of the ownership, or a part thereof, of a sexually oriented business, any new owner shall execute an ownership disclosure form with the local health department.

(5) Violation of any of the provisions of this section is a Class D felony. Any sexually oriented business which is convicted of a violation of this section shall be subject to closure as a public nuisance.

SECTION 7. A NEW SECTION OF KRS CHAPTER 531 IS CREATED TO READ AS FOLLOWS:

(1) A person is guilty of possession of child pornography when having knowledge of its content and character, he has in his possession, care, custody or control any matter that visually depicts any minor, under the age

of eighteen (18) years, engaged in or portraying a sexual performance.

(2) Possession of child pornography is a Class A misdemeanor, unless the defendant has in his possession more than one (1) unit of material coming within the provisions of this section, in which case it shall be a Class D felony."

Floor Amendment No. 2 to Committee Substitute to **SB 280**, by Representative Nett:

Amend printed copy of House Committee Substitute for **SB 280** on page 1, following the enacting clause, to delete all remaining language and to insert in lieu thereof:

"Section 1. KRS 507.010 is amended to read as follows:

A person is guilty of criminal homicide when the causes ~~[the] death [of another human being] under circumstances which constitute murder~~, murder of an unborn child, manslaughter in the first degree, manslaughter in the second degree, or reckless homicide.

SECTION 2. A NEW SECTION OF KRS CHAPTER 507 IS CREATED TO READ AS FOLLOWS:

(1) A person is guilty of murder of an unborn child when in performing acts which cause the death of an unborn child, the actor, without lawful justification:

(a) Either intended to kill or do great bodily harm to the mother or her unborn child or knew that his acts created a strong probability of death or great bodily harm to the mother or her unborn child; and

(b) He knew, or reasonably should have known, under all of the circumstances, that the mother was pregnant.

(2) For purposes of this section:

(a) "Unborn child" means an individual organism of the human species from fertilization to birth; and

(b) "Person" shall not include the pregnant woman whose unborn child is killed.

(3) This law shall not apply to the acts of physicians which cause the death of an unborn child if those acts are committed during medically acceptable procedures necessary for the medical care of the mother.

(4) This law shall not apply to acts of physicians which cause the death of an unborn child if those acts were committed during a lawful pregnancy termination.

(5) The provisions of this section shall not be construed to prohibit the prosecution of any person under any other provision of law.

(6) Murder of an unborn child is a Class A Felony."

Floor Title Amendment No. 2 to **SB 280**, by Representative Nett:

Amend printed copy of GA Copy of **SB 280** by amending the title to read "AN ACT relating to crimes and punishments."

Floor Title Amendment No. 3 to Committee Substitute to **SB 280**, by Representative Nett:

Amend printed copy of House Committee Substitute for **SB 280**, Title, to delete the same and to insert in lieu thereof "AN ACT relating to crimes and punishments."

Floor Amendment No. 2 to **SB 294**, by Representative Richards:

Amend printed copy of GA Copy of **SB 294** on page 5, lines 4 through 7, delete in their entirety;

And on page 5, line 8, delete "(9)" and insert "(8)" in lieu thereof;

And on page 5, line 13, delete "(10)" and insert "(9)" in lieu thereof;

And on page 6, line 4, delete "(11)" and insert "(10)" in lieu thereof;

And on page 6, line 15, delete "(12)" and insert "(11)" in lieu thereof;

And on page 6, line 22, delete "(13)" and insert "(12)" in lieu thereof;

and on page 7, line 3, before the word "Section" insert the following:

"Section 2. KRS 438.050 is amended to read as follows:

Any person, except adult employees of the school system who smoke in a room on the school premises designated by the superintendent or principal for the purpose, who smokes tobacco products in any school building or any part of any building used for school purposes, or upon school grounds, while children are assembled there for lawful purposes, except in areas in secondary schools designated and supervised by the superintendent or principal for the purpose, shall be fined not less than one dollar nor more than five dollars. The exception granted for smoking areas designated by the superintendent or principal shall extend [only] to all schools [located in counties containing a city of the first class, a city of the second class, or an urban-county government]."

And on page 7, line 3, after the word "Section" delete "2" and insert "3" in lieu thereof.

Floor Amendment No. 3 to **SB 294**, by Representative Lundergan:

Amend printed copy of GA Copy of **SB 294** on page 7, after line 2, by adding the following:

"SECTION 2. A NEW SECTION OF KRS CHAPTER 6 IS CREATED TO READ AS FOLLOWS:

(1) *The legislative education planning commission hereinafter known as the commission is hereby created to serve as an advisory group to the general assembly. The purpose of the commission is to consider the current and future educational needs of the state and its citizenry; to consider the recommendations of all state agencies concerned with education; to consider the recommendations of education interest groups; to use all available methods it deems necessary to develop a long range plan for providing a quality education system in the state; and to make recommendations to the general assembly for implementation of the plan.*

(2) (a) *The commission shall consist of forty-two (42) members. The legislative research commission shall appoint the following ex officio members, or their designees, who shall serve on the commission during their term of office:*

1. *Superintendent of public instruction;*
2. *Chairman, state board of education;*
3. *Chairman, council on higher education;*
4. *Chairman, Kentucky higher education assistance authority;*
5. *Chairman, governor's commission on literacy;*
6. *Chairman, advisory council on services for the blind and visually impaired;*
7. *Chairman, commission on the deaf and hearing impaired;*

8. *Chairman, governor's council on vocational education;*
9. *Chairman, state board for proprietary education;*
10. *Chairman, school facilities construction commission;*
11. *Chairman, board of trustees of the teachers' retirement system of the state of Kentucky;*
12. *Chairman, council on teacher education and certification;*
13. *Chairman, Kentucky authority for educational television;*
14. *Chairman, advisory conference of presidents;*
15. *Chairman, board of directors of the bluegrass state skills corporation;*
16. *Secretary, education and humanities cabinet;*
17. *Secretary, cabinet for human resources;*
18. *Secretary, commerce cabinet;*
19. *Special assistant for early childhood education and development;*
20. *Chancellor, community college system; and the*
21. *Student member, council on higher education.*

(b) The legislative research commission shall request three (3) nominees from which to select one (1) member to represent each of the following groups and organizations:

1. *Congress of senate and faculty leadership;*
2. *Council of independent Kentucky colleges and universities;*
3. *Kentucky American federation of labor-congress of industrial organizations;*
4. *Kentucky association of school administrators;*
5. *Kentucky association for gifted education;*
6. *Kentucky chamber of commerce;*
7. *Kentucky chapter of the American association of university professors;*
8. *Kentucky coalition for the handicapped;*
9. *Kentucky congress of parents and teachers;*
10. *Kentucky education association;*
11. *Kentucky federation of teachers;*
12. *Kentucky retired teachers' association;*

13. *Kentucky school boards association;*
14. *Kentucky vocational education;*
15. *Kentucky youth advocates;*
16. *League of women voters; and the*
17. *Prichard committee for academic excellence.*

Each member shall serve a four (4) year term except the initial appointments shall be as follows: four (4) members shall serve a one (1) year term; four (4) members shall serve a two (2) year term; four (4) members shall serve a three (3) year term; and five (5) members shall serve a four (4) year term.

(c) The legislative research commission shall also appoint the senate education committee chairman, the house education committee chairman and the co-chairmen of the budget review subcommittee on education to serve as ex officio members of the commission.

(4) The commission may meet as often as necessary, but shall meet at least quarterly. At the first regular meeting of the committee each fiscal year, the membership shall select a chairman.

(5) The members of the committee may be reimbursed for actual and necessary expenses incurred in the performance of their duties.

(6) The commission shall employ a full-time assistant director and other required staff and may employ consultants as necessary to carry out its duties. The commission may solicit private funds to subsidize its work.

(7) The commission shall submit a report and recommendations to the general assembly in 1990 and shall prepare revisions and current recommendations for each subsequent regular session of the general assembly.

Section 3. To carry out the purposes of this Act, there is appropriated to the Legislative Research Commission out of the General Fund in the State Treasury the sum of one hundred thousand dollars (\$100,000) in fiscal year 1989 and one hundred thousand dollars (\$100,000) in fiscal year 1990."

On page 7, line 3, by changing the "2" to "4";

And on page 7, line 9, after the word "and" by adding "Section 1 of".

Floor Amendment No. 4 to SB 294, by Representative Little:

Amend printed copy of HCA (1) of SB 294 on page 4, subsection 2, line 3, delete all language beginning with "Subsequent" through "General Assembly."

Floor Amendment No. 5 to SB 294, by Representative Lundergan:

Amend printed copy of GA Copy of SB 294 on page 7, line 3, after "Section 2." by adding the following:

"KRS 158.175 is amended to read as follows:

(1) As a continuation of the policy of teaching our country's history and as an affirmation of the freedom of religion in this country, the board of education of a local school district may authorize the recitation of the traditional Lord's prayer and the pledge of allegiance to the flag in public elementary schools. Pupil participation in the recitation of the prayer and pledge of allegiance shall be voluntary. Pupils shall be reminded that this Lord's prayer is the prayer our pilgrim fathers recited when they came to this country in their search for freedom. Pupils shall be informed that these exercises are not meant to influence an individual's personal religious beliefs in any manner. The exercises shall be conducted so that pupils shall learn of our great freedoms, including the freedom of religion symbolized by the recitation of the Lord's prayer.

(2) [By August 1, 1980,] the board of education of each public local school district shall establish a policy and develop procedures whereby the pupils in each elementary and secondary school may participate in the pledge of allegiance to the flag of the United States at the commencement of each school day. Included in the policy shall be a plan for incorporating into the social studies curriculum instruction concerning the proper display of and respect for the flag of the United States and the flag of Kentucky.

(3) The board of education of each local school district may purchase or otherwise acquire and provide for display in each classroom copies of the Declaration of Independence, the Gettysburg address and other documents the local board deems significant to the history of Kentucky and the United States.

Section 3."

On page 7, line 9, after the word "and" by adding "Section 1 of".

Floor Amendment No. 6 to SB 294, by Representative Arnold:

Amend printed copy of GA Copy of SB 294 on page 7, line 3, after "Section 2." by adding the following:

"KRS 158.070 is amended to read as follows:

(1) The minimum school term shall be one hundred eighty-five (185) days and shall include no instructional days with pupils in attendance prior to the first Tuesday after the first Monday in September each year, except the instructional days with pupils in attendance may begin earlier upon approval by the superintendent of public instruction, but in no event earlier than the last Monday in August. Exemptions shall be granted only to school districts which have a history of missing fifteen (15) or more days of school per year due to inclement weather. A school calendar consisting of one hundred eighty-five (185) days, of which one hundred seventy-five (175) are designated for instruction with pupils in attendance, shall be submitted, to the superintendent of public instruction for approval, by the local board of education. A board of education may extend its term beyond the minimum term set by the superintendent of public instruction. In setting the school calendar, school shall be closed for two (2) consecutive days for the purpose of permitting professional school employees to attend statewide professional meetings. These two (2) days for statewide professional meetings shall be scheduled to begin with the first Thursday after Easter or upon request of the statewide professional educational association having the largest paid membership, the superintendent of public instruction may designate alternate dates. Furthermore, the superintendent of public instruction shall designate one (1) additional day during the school year when schools shall be closed for the purpose of permitting professional school employees to participate in regional or district professional meetings. These three (3) days so designated for attendance at professional meetings shall not be counted as a part of the minimum school term.

(2) Any local board of education operating its schools on a year-round school program basis shall conform with regulations promulgated and adopted by the state board of education upon the recommendation of the state superintendent of public instruction, which regulations must be in conformity with the following criteria:

(a) The year-round school program shall be operated on a fiscal year beginning July 1 and ending June 30;

(b) A pupil's required attendance in school shall be for at least the minimum term; and

(c) No teacher shall be required to teach more than the minimum term during the school year.

(3) Each local board of education shall use four (4) days of the minimum school term for in-service professional development and planning activities for the professional staff without the presence of pupils. The board of education of any school district may use up to a maximum of four (4) days of the minimum school term for holidays, provided, however, any holiday which occurs on Saturday may be observed on the preceding Friday; two (2) days for the opening and closing of schools without the presence of pupils, one (1) day of which may be used at the beginning of the second semester; the number of days deemed necessary for:

(a) National or state disaster or mourning when proclaimed by the President of the United States or the governor of the Commonwealth of Kentucky; and

(b) Local disaster which would endanger the health or safety of children or mourning when so designated by the district board of education and approved by the state board of education upon recommendation of the superintendent of public instruction, and shall use one (1) day of excused absence for attendance at the Kentucky state fair for students applying for excused absence for this purpose.

(4) The state board of education, upon recommendation of the superintendent of public instruction, shall adopt regulations governing the use of school days, including days missed from the regular school day as a result of local disaster, as defined in subsection (3)(b) of this section, and regulations setting forth the guidelines and procedures to be observed for the approval of the days utilized for the opening and closing of school and the days utilized for in-service professional development and planning activities for the professional staff.

Section 3."

On page 7, line 9, after word "and" by adding "Section 1 of".

Floor Title Amendment No. 1 to **SB 294**, by Representative Lundergan:

Amend printed copy of GA Copy of **SB 294** by amending the title to read as follows:

"AN ACT relating to education, making an appropriation and declaring an emergency."

Floor Title Amendment No. 2 to **SB 294**, by Representative Arnold:

Amend printed copy of GA Copy of **SB 294** by amending the title to read as follows:

"AN ACT relating to education and declaring an emergency."

Floor Amendment No. 2 to **SB 324**, by Representative Morris:

Amend printed copy of GA Copy of **SB 324** on page 4, by inserting after line 10, the following:

"SECTION 2. A NEW SECTION OF KRS CHAPTER 216 IS CREATED TO READ AS FOLLOWS:

As used in Section 3 of this Act:

- (1) "Division" means the division of licensing and regulation within the cabinet for human resources.
- (2) "Cabinet" means the cabinet for human resources.
- (3) "Secretary" means the secretary for human resources.

(4) "Nursing pools" means any person, firm, corporation, partnership, or association engaged for hire in the business of providing or procuring temporary employment in health care facilities for medical personnel including, but not limited to, nurses, nursing assistants, nurses' aides, and orderlies. For purposes of Section 3 of this Act, nursing registries shall be considered to be nursing pools. Excluded from this definition are any health-facility-based or in-house pools established to provide services within the confines of such facility or business and any person who only engages in providing his or her own services on a temporary basis to health care facilities.

SECTION 3. A NEW SECTION OF KRS CHAPTER 216 IS CREATED TO READ AS FOLLOWS:

(1) No nursing pool shall be operated, maintained, or advertised without obtaining a license as provided in this Section of this Act.

(2) The secretary shall adopt regulations relating to license fees, standards of care and service, and procedures for enforcement of penalties.

- (3) *The established standards of care and services shall at a minimum include:*
- (a) *Written policies and procedures must be maintained by each nursing pool;*
 - (b) *Records must be maintained to assure that the criteria promulgated by regulations are being met;*
 - (c) *Personnel policies shall be developed which shall include at a minimum: a personal interview, thorough reference check, annual evaluation of employees based on questionnaires developed and sent to hospitals, nursing homes, and other facilities to which medical personnel are sent.*
- (4) *Upon employment or contract with a nursing pool, all medical personnel working in health care facilities shall be required to provide the following: a current negative tuberculin skin test or chest X-ray, a current license or certificate, where applicable, and a current cardiopulmonary resuscitation certification. Further, all medical personnel shall attend an annual infection control in-service and an annual safety in-service.*
- (5) *Only those nursing pools meeting the standards prescribed for licensure by the secretary may be granted a license.*
- (6) *Each application for a license shall be made to the division of licensing and regulation and shall be accompanied by a fee prescribed by the secretary and shall be renewed annually upon expiration and reapplication when accompanied by an additional fee. Licenses and renewals thereof shall expire one (1) year from their effective date.*
- (7) *Any license or application affected by an adverse determination by the division or the secretary shall have the same rights of appeal as set forth in KRS 216.553, 216.567, and 216.570.*
- (8) *All fees collected under the provisions of this Act shall be paid into the state treasury and credited to a fund for the purposes of funding the division.*
- (9) *All inspections of nursing pools by the division shall be unannounced.*

Section 4. The provisions of Sections 2 and 3 of this Act shall be effective on January 1, 1989."

Floor Amendment No. 3 to **SB 324**, by Representative Johnson:

Amend printed copy of **SB 324** on page 4, by inserting after line 10, the following:

"Section 2. KRS 311.541 is amended to read as follows:

~~The board [advocate] may purchase liability insurance for the protection of all members of the board to protect them from liability arising in the course of pursuing their duties as members of the board and for all full-time employees to protect them from liability arising in the course or scope of their employment. This insurance shall be purchased with money contained in the trust and agency fund of the board.~~

Section 3. KRS 311.565 is amended to read as follows:

~~The board is authorized and empowered to:~~

~~(1) Exercise all the administrative functions of the state in the prevention of empiricism and in the regulation of the practice of medicine and osteopathy which shall include, but not be limited to, promulgation of reasonable administrative regulations enabling the board to regulate the conduct of its licensees;~~

~~(2) Promulgate reasonable rules and regulations establishing moral, physical, intellectual, educational, scientific, technical and professional qualifications of applicants for licenses and permits that may be issued by the board;~~

~~(3) Issue, deny, suspend, limit, restrict and revoke any licenses or permits that may be issued by the~~

board, and to reprimand or to place licensees on probation, in compliance with the provisions of KRS 311.530 to 311.620:

(4) Appoint an executive director and assistant executive directors and fix their compensation. The executive director shall oversee the work of the board, shall be authorized to discharge the duties of the secretary as provided by KRS 311.530 to 311.620 and shall carry out the duties of the executive director as set forth elsewhere in this chapter;

(5) Appoint a general counsel and assistant general counsel and fix their compensation;

(6) Appoint investigatory personnel and fix their compensation;

(7) Appoint one (1) or more hearing officers, who need not be members of the board, and fix their compensation. Every such hearing officer shall be vested with the full and complete power and authority of the board to schedule and conduct hearings on behalf of and in the name of the board on all matters referred for hearing by the board or secretary thereof, including, among other things, proceedings for placing licensees on probation and for limitation, suspension and revocation of licenses, and shall cause to be prepared and furnished to the board, for decision thereon by the board, a complete written transcript of the record of the hearing which shall contain all evidence introduced at the hearing and all pleas, motions and objections and all rulings of the hearing officer. Every such hearing officer shall be authorized to administer oaths and issue summonses, notices and subpoenas, but shall not be empowered to place any licensee on probation or to issue, refuse, suspend, limit or revoke any license;

(8) Appoint committees of licensees, who need not be board members, to review issues of *public or medical interest* before the board and to make recommendations to the board on said issues[, including a physician review advisory committee, which may have at least one (1) non-physician member and which shall have the power to review grievances and recommend action to the board in accordance with the provisions of KRS 311.591 and 311.592];

(9) Promulgate regulations to promote the efficient and fair conduct of disciplinary proceedings;

(10) Promulgate a code of conduct governing the practice of medicine and osteopathy, which shall be based upon generally recognized principles of professional ethical conduct;

(11) Utilize the services and facilities of professional organizations, and procure and receive the assistance and recommendations of professional organizations in administering KRS 311.530 to 311.620;

(12) Make its personnel and facilities available to other governmental entities under mutually agreeable terms and conditions;

(13) Issue regular licenses without further testing by endorsement from another state having qualifications and standards at least as high as those of this state or by endorsement from the National Board of Medical Examiners; the National Board of Examiners for Osteopathic Physicians and Surgeons; the National Joint Committee of Preregistration Physician Training Programs; or any approved successors thereof;

(14) Issue and renew regular licenses to practice medicine or osteopathy in accordance with KRS 311.530 to 311.620 and any reasonable rules and regulations of the board;

(15) Issue and renew, or refuse to issue or renew, or cancel and terminate limited licenses pursuant to *administrative* [rules and] *regulations prescribed by the board*; provided however, no person who held a limited license for institutional practice or general practice as of September 1, 1972, shall be denied the renewal of that limited license for non-disciplinary reasons;

(16) Appoint examiners, who need not be members of the board, and employ or contract with the Federation of State Medical Boards of the United States, Inc., or the National Board of Medical Examiners or other organizations, agencies or individuals to prepare examination questions and grade examination papers;

(17) Determine the schools, colleges, universities, institutions, and training acceptable in connection with licensure under KRS 311.530 to 311.620;

(18) Prescribe the time, place, method, manner, scope and content of examinations; provided, however, that at least two (2) examinations shall be held annually;

(19) Prescribe all forms which it considers appropriate, and require the submission of photographs, fingerprints, and personal history data;

(20) Prescribe and collect reasonable fees and charges for examinations, directories and the issuance and renewal of licenses and permits;

(21) Impose fines of not greater than five thousand dollars (\$5,000) per violation upon a finding pursuant to disciplinary proceedings that the licensee has violated any provision of KRS 311.595 to 311.597 or duly promulgated disciplinary regulation of the board; and

(22) Exercise all the administrative functions of the state in regard to the regulation of physician assistants. In promulgating these regulations under the provisions of KRS Chapter 13A, the board shall address:

- (a) The professional qualifications of physician assistants;
- (b) The supervision of physician assistants by licensed physicians;
- (c) The review and discipline of physician assistants and their supervising physicians;
- (d) The scope of practice allowed physician assistants;
- (e) The facilities in which physician assistants may practice; and
- (f) The delegation of responsibilities from physicians to physician assistants.

The board is specifically authorized to establish qualifications that the physician assistants shall attain before the board grants the right to practice in this state. At a minimum, these qualifications shall include the passage of a written examination approved by the board and satisfactory completion of a clinical training program approved by the board. The board may establish an advisory committee to aid the board in the regulation of physician assistants, who shall be considered adjuncts to supervising physicians and not independent practitioners of any healing art.

Section 4. KRS 311.595 is amended to read as follows:

Where such power has not been transferred by statute to some other board, commission or agency of this state, the board may deny an application for a license; place a licensee on probation for a period not to exceed five (5) years; suspend a license for a period not to exceed five (5) years; limit or restrict a license for an indefinite period; or revoke any license heretofore or hereafter issued by the board, upon proof that the licensee has:

(1) Knowingly made or presented, or caused to be made or presented, any false, fraudulent or forged statement, writing, certificate, diploma or other thing, in connection with an application for a license or permit.

(2) Practiced, or aided or abetted in the practice of fraud, forgery, deception, collusion or conspiracy in connection with an examination for a license.

(3) Committed, procured or aided in the procurement of an unlawful abortion.

(4) Entered a guilty or *nolo contendere* plea, or been convicted, by any court within or without the Commonwealth of Kentucky, of committing an act which is, or would be a felony under the laws of the Commonwealth of Kentucky, or of the United States, or of any crime involving moral turpitude which is a misdemeanor, under such laws.

(5) Become addicted to a controlled substance.

- (6) Become a chronic or persistent alcoholic.
- (7) Developed such physical or mental disability, or other condition, that continued practice is dangerous to patients or to the public.
- (8) Engaged in dishonorable, unethical, or unprofessional conduct of a character likely to deceive, defraud or harm the public or any member thereof.
- (9) Knowingly made, or caused to be made, or aided or abetted in the making of, a false statement in any document executed in connection with the practice of his profession.
- (10) Employed, as a practitioner of medicine or osteopathy in the practice of his profession in this state, any person not duly licensed or otherwise aided, assisted or abetted the unlawful practice of medicine or osteopathy or any other healing art.
- (11) Violated or attempted to violate, directly or indirectly, or assisted in or abetted the violation of, or conspired to violate any provision or term of any medical practice act, including but not limited to the code of conduct promulgated by the board under KRS 311.601 or any other valid regulation of the board.
- (12) Violated any order of suspension, or the terms or conditions of any order of probation, issued by the board.
- (13) Engaged in or attempted to engage in the practice of medicine or osteopathy under a false or assumed name, or impersonated another practitioner of a like, similar or different name.
- (14) Obtained a fee or other thing of value on the fraudulent representation that a manifestly incurable condition could be cured.
- (15) Willfully violated a confidential communication.
- (16) Had his license to practice medicine or osteopathy in any other state, territory or foreign nation revoked, suspended, restricted or limited or has been subjected to other disciplinary action by the licensing authority thereof.
- (17) Failed or refused, without legal justification, to practice medicine in a rural area of this state in violation of a valid medical scholarship loan contract with the trustees of the rural Kentucky medical scholarship fund.
- (18) Given or received, directly or indirectly, from any person, firm, or corporation, any fee, commission, rebate, or other form of compensation for sending, referring or otherwise inducing a person to communicate with a person licensed under KRS 311.530 to 311.620 in his professional capacity or for any professional services not actually and personally rendered; provided, however, that nothing contained in this subsection shall prohibit persons holding valid and current licenses under KRS 311.530 to 311.620 from practicing medicine in partnership or association or in a professional service corporation authorized by KRS Chapter 274, as now or hereinafter amended, or from pooling, sharing, dividing or apportioning the fees and moneys received by them or by the partnership, corporation or association in accordance with the partnership agreement or the policies of the board of directors of the corporation or association. Nothing contained in this subsection shall abrogate the right of two or more persons holding valid and current licenses under KRS 311.530 to 311.620 to receive adequate compensation for concurrently rendering professional care to a single patient and divide a fee, provided the patient has full knowledge of this division and provided the division is made in proportion to the services performed and responsibility assumed by each.
- (19) Been removed, suspended or expelled by any professional medical association or society when such action was based upon what said association or society found to be unprofessional conduct, professional incompetence, malpractice, or a violation of any provision of KRS Chapter 311.
- (20) Been disciplined by a licensed hospital or medical staff of said hospital, including removal, suspension, limitation of hospital privileges, failing to renew privileges for cause, *resignation of privileges under pressure or investigation*, or other disciplinary action if such action was based upon what said hospital or medical

staff found to be unprofessional conduct, professional incompetence, malpractice, or a violation of any provisions of KRS Chapter 311.

Section 5. KRS 311.602 is amended to read as follows:

(1) In order to assist a licensee in determining what actions would constitute unacceptable conduct under the provisions of KRS 311.595, the licensee may request an opinion of the board by written request submitted to the secretary; the board *may* [shall] ~~cause a written response to be made to each requesting licensee if said request addresses an issue of such public or medical interest that the board's opinion on the subject is deemed desirable.~~

(2) In formulating a response to a request, the board may request an opinion from any concerned medical or osteopathic professional association or society; however, the board shall not be bound by such a supplemental opinion.

(3) The board shall keep a permanent record of all such requests made and the response thereto; further, the board may publish its opinions.

Section 6. KRS 311.603 is amended to read as follows:

There shall be no monetary liability on the part of, and no cause of action for damages shall arise against, any current or former member, officer, administrator, staff member, committee member, representative, agent or employee of the board, either as a part of the board's operation or as an individual, as the result of any act, omission, proceeding, conduct, or decision related to their official duties undertaken or performed within the scope of the function of the board, except where actual malice is shown or willful misconduct is involved [Members of the board shall be immune from suit in any action, civil or criminal, which is based upon any official act or acts performed by them in good faith as members of said board].

Section 7. ~~KRS 311.610 is amended to read as follows:~~

~~All fees collected by the board under the provisions of KRS 311.550 to 311.620, or the rules and regulations adopted pursuant thereto, shall be paid into the state treasury and credited to a trust and agency fund to be used by the board in defraying the costs and expenses of the board in the administration of KRS 311.550 to 311.620, including, but not limited to, salaries and necessary travel expenses. No part of this fund shall revert to the general funds of this Commonwealth. The board may direct the investment of that portion of its revolving fund not needed to meet current expenses, the earnings from which investments shall also be credited to the revolving fund of the board."~~

Floor Amendment No. 4 to SB 324, by Representative Burch:

Amend printed copy of GA Copy of SB 324 on page 4, line 11.

By inserting the following new sections:

"SECTION 2. A NEW SECTION OF KRS CHAPTER 214 IS CREATED TO READ AS FOLLOWS:

(1) *The cabinet for human resources, department for health services, shall, in consultation with local health officers, develop a state plan to prevent the spread of the human immunodeficiency virus (HIV), the virus which causes acquired immune deficiency syndrome (AIDS).*

(2) *Each district and local health department shall, in consultation with the cabinet for human resources, department for health services, develop a local plan to prevent the spread of the human immunodeficiency virus.*

(3) *State and local health officers shall make available to the public, health care providers, local school districts, colleges, and universities public information and educational materials about the HIV virus and AIDS, risk reduction education materials associated with transmission of the HIV virus, and confidential voluntary counseling and testing for infection with the HIV virus.*

(4) *The state department for health services shall:*

(a) Prepare and disseminate to health care providers circulars of information and presentations describing the epidemiology, testing, diagnosis, treatment, medical, counseling, and other aspects of HIV infection;

(b) Conduct health information programs to inform the general public of the medical and psychosocial aspects of HIV infection, including updated information on how HIV infection is transmitted and can be prevented. The department shall make available and prepare for free distribution among the residents of the state printed information concerning the dangers from HIV infection, its prevention, and the advisability of testing for infection with the virus;

(c) Prepare and update as necessary an educational program on HIV infection in the workplace for use by employers;

(d) Develop and implement HIV education risk-reduction programs for specific populations at higher risk for infection; and

(e) Develop and update as necessary a medically correct AIDS prevention curriculum for use at the discretion of local school districts. The AIDS prevention curriculum shall emphasize, but not be limited to, discussion of self-esteem, self-discipline, respect for others, self-discipline, respect for others, the emotional, educational, health and social advantages of premarital abstinence and the development of skills with which to practice premarital abstinence.

SECTION 3. A NEW SECTION OF KRS CHAPTER 311 IS CREATED TO READ AS FOLLOWS:

When a physician in the normal course of medical practice diagnoses a patient as having HIV infection or treats a patient whom he knows has been so diagnosed, such physician shall provide information and counseling to such patient concerning his infection or diagnosis, and the known medical implications of such status or condition.

SECTION 4. A NEW SECTION OF KRS CHAPTER 18A IS CREATED TO READ AS FOLLOWS:

The department of personnel, in cooperation with the cabinet for human resources, shall develop, coordinate and implement an acquired immune deficiency syndrome education program for employees of the Commonwealth.

Section 5. The responsibilities of the department of personnel and of the cabinet for human resources to carry out the provisions of Sections 2 to 5 of this Act shall be limited to the amount of funding appropriated for Acquired Immune Deficiency Syndrome education. When such funds are exhausted no action shall be taken to compel the provision of additional services."

Floor Amendment No. 5 to **SB 324**, by Representative Burch:

Amend printed copy of GA Copy of **SB 324** on page 4, line 11,

By inserting the following new sections:

"Section 2. KRS 211.350 is amended to read as follows:

(1) The cabinet shall regulate the construction, installation, or alteration of on-site sewage disposal systems except for such systems that have a surface discharge, and for such systems being installed on a farmstead as defined in KRS 318.010(8); however, the cabinet shall regulate the construction, installation or alteration of on-site sewage disposal systems installed on any farmstead located in a county containing a city of the first class.

(2) No person, firm, or corporation shall construct, install, alter or cause to be constructed, installed, or altered, any on-site sewage disposal system subject to regulation by the cabinet without having first obtained an on-site sewage disposal permit from the cabinet. Such construction, installation or alteration shall be performed only by a person certified by the cabinet pursuant to KRS 211.357.

(3) No person, firm, or corporation shall use or continue to use or permit the use or continued use of any on-site sewage disposal system that is constructed, installed, or altered under an on-site sewage disposal

permit where the cabinet through a duly authorized inspector, employe or agent finds that the system was not constructed, installed, or altered in conformance with such permit and regulations issued by the cabinet.

(4) All applications for on-site sewage disposal permits shall be accompanied by plans and specifications for the proposed system, *including* results of an approved percolation test in the area where the proposed system is to be located *if required by the cabinet by regulation* and additional soils and other information as directed by the cabinet by regulation.

(5) The cabinet shall fix a [reasonable] ~~schedule of fees for the functions performed by the cabinet relating to the regulation of on-site sewage disposal systems. Such fees shall be designed to fully cover the cost of the service performed but shall not exceed the cost of the service performed. Fees payable to the cabinet shall be paid into the state treasury and credited to a trust and agency fund to be used by the cabinet in carrying out its responsibilities relating to the regulation of on-site sewage disposal systems. No part of the fund shall revert to the general fund of the Commonwealth.~~

(6) Any regulation relating to on-site sewage disposal that is in effect on July 15, 1986, shall remain in effect until altered by the secretary. The secretary may issue additional regulations necessary to carry out the purposes of this section.

(7) All records necessary to properly carry out this section shall be transferred from the department of housing, buildings, and construction to the cabinet for human resources.

SECTION 2. A NEW SECTION OF KRS SECTION OF KRS CHAPTER 224 IS CREATED TO READ AS FOLLOWS:

In any subdivision served by a public or private sewage disposal system, a homeowner shall be permitted to be served by such system, provided the sewage disposal system has the capacity to accommodate the homeowner."

Floor Amendment No. 6 to **SB 324**, by Representative Richards:

Amend printed copy of **SB 324** by adding on page 4, after line 10, the following:

"Section 2. KRS 314.011 is amended to read as follows:

As used in KRS 314.011 to 314.161 and 314.991, unless the context thereof requires otherwise:

(1) "Board" shall mean Kentucky board of nursing.

(2) "Nurse" shall mean a person licensed under the provisions of this chapter as a registered nurse or as a licensed practical nurse.

(3) "Nursing process" means the investigative approach to nursing practice utilizing a method of problem-solving by means of:

(a) Nursing diagnosis, a systematic investigation of a health concern and an analysis of the data collected in order to arrive at an identifiable problem; and

(b) Planning, implementation and evaluation based on nationally accepted standards of nursing practice.

(4) "Registered nurse" shall mean one who is licensed under the provisions of this chapter to engage in registered nursing practice.

(5) "Registered nursing practice" shall mean the performance of acts requiring substantial specialized knowledge, judgment and nursing skill based upon the principles of psychological, biological, physical and social sciences in the application of the nursing process in:

(a) The care, counsel and health teaching of the ill, injured or infirm.

(b) The maintenance of health or prevention of illness of others.

(c) The administration of medication and treatment as prescribed by a physician or dentist licensed in this state and as further authorized or limited by the board, and which are consistent either with American Nurses' Association Standards of Practice or with Standards of Practice established by nationally accepted organizations of registered nurses.

(d) The supervision and teaching of other personnel in the performance of activities relating to nursing care.

(e) The performance of other nursing acts which are authorized or limited by the board, and which are consistent either with American Nurses' Association Standards of Practice or with Standards of Practice established by nationally accepted organizations of registered nurses.

(6) "Advanced registered nurse practitioner" shall mean one who is registered and designated to engage in advanced registered nursing practice including but not limited to the nurse anesthetist, nurse midwife and nurse practitioner pursuant to KRS 314.042.

(7) "Advanced registered nursing practice" shall mean the performance of additional acts by registered nurses who have gained added knowledge and skills through an organized post-basic program of study and clinical experience and who are certified by the American nurses' association or other nationally established organizations or agencies recognized by the board to certify registered nurses for advanced nursing practice. The performance of these additional acts shall be consistent with the certifying organization or agencies' scopes and standards of practice recognized by the board by regulation.

(8) "Licensed practical nurse" shall mean one who is licensed under the provisions of this chapter to engage in licensed practical nursing practice.

(9) "Licensed practical nursing practice" shall mean the performance of acts requiring knowledge and skill such as are taught or acquired in approved schools for practical nursing in:

(a) The observing and caring for the ill, injured or infirm under the direction of a registered nurse, a licensed physician or dentist.

(b) The giving of counsel and applying procedures to safeguard life and health, as defined and authorized by the board.

(c) The administration of medication or treatment as authorized by a physician or dentist licensed in this state and as further authorized or limited by the board which is consistent with the National Federation of Licensed Practical Nurses or with Standards of Practice established by nationally accepted organizations of licensed practical nurses.

(d) Teaching or supervising except as limited by the board.

(e) The performance of other nursing acts which are authorized or limited by the board and which are consistent with the National Federation of Practical Nurses' Standards of Practice or with Standards of Practice established by nationally accepted organizations of licensed practical nurses.

(10) "School of nursing" shall mean a nursing education program preparing persons for licensure as a registered nurse or a practical nurse.

(11) "Continuing education" shall mean participation in approved offerings beyond the basic nursing program that present specific content planned and evaluated to meet competency based behavioral objectives which develop new skills and upgrade knowledge.

(12) "Nursing assistance" shall mean the performance of delegated nursing acts by unlicensed nursing personnel for compensation under supervision of a nurse.

(13) "Limited license" shall mean a license to practice nursing in a restricted capacity. The restriction

may be applied to:

(a) A person with a handicap who can practice nursing within the limits defined by regulation by the board; or

(b) A licensee who has been subjected to disciplinary action by the board.

(14) "Nurses' registry" shall mean any person or organization that maintains a roster or other listing of nurses as defined in this chapter who are available on a temporary basis. A nurses' registry may also maintain a roster or listing of other professional and paraprofessional health care providers such as physical therapists who would be available on a temporary basis. A nurses' registry does not constitute a health facility."

Section 3. KRS 216B.020 is amended to read as follows:

(1) The provisions of this chapter that relate to the issuance of a certificate of need shall not apply to family care homes, *nurses' registry*, state veterans' nursing homes or non-conforming ambulance services as defined by administrative regulation.

(2) Nothing in this chapter shall be construed to authorize the licensure, supervision, regulation or control in any manner of:

(a) Private offices and clinics of physicians, dentists, and other practitioners of the healing arts;

(b) Office buildings built by or on behalf of a health facility for the exclusive use of physicians, dentists and other practitioners of the healing arts, provided that no capital expenditure or expenses relating to any such building shall be chargeable to or reimbursable as a cost for providing inpatient services offered by a health facility;

(c) Dispensaries and first-aid stations located within business or industrial establishments maintained solely for the use of employees, provided that such facility does not contain inpatient or resident beds for patients or employees who generally remain in the facility for more than twenty-four (24) hours;

(d) Establishments, such as motels, hotels and boarding houses which provide domiciliary and auxiliary commercial services, but do not provide any health related services and boarding houses which are operated by persons contracting with the United States veterans administration for boarding services;

(e) The remedial care or treatment of residents or patients in any home or institution conducted only for those who rely solely upon treatment by prayer or spiritual means in accordance with the creed or tenets of any recognized church or religious denomination and recognized by that church or denomination; [and]

~~(f) On-duty police and fire department personnel assisting in emergency situations by providing first-aid or transportation when regular emergency units licensed to provide first-aid or transportation are unable to arrive at the scene of an emergency situation within a reasonable time and;~~

(g) Nurses' registries."

Floor Title Amendment No. 2 to **SB 324**, by Representative Morris:

Amend printed copy of GA Copy of **SB 324** on page 1, by amending the title to read as follows: "AN ACT relating to nursing."

Floor Title Amendment No. 3 to **SB 324**, by Representative Burch:

Amend printed copy of GA Copy of **SB 324** by amending the title to read as follows:

"AN ACT relating to public health."

Floor Title Amendment No. 4 to **SB 324**, by Representative Richards:

Amend printed copy of **SB 324** by changing the title to read:

"AN ACT relating to nurses."

Floor Amendment No. 1 to Committee Substitute to **SB 328**, by Representative Lundergan:

Amend printed copy of House Committee Substitute to **SB 328** on page 3, after line 11, by adding the following:

"Section 3. KRS 242.1292 is amended to read as follows:

(1) The provisions of this section shall be applicable in any city of the second, *third or fourth* class notwithstanding any other provisions of this chapter relating to the discontinuance of prohibition in any county, city, or territory which may be to the contrary.

(2) In any city of the second, *third or fourth* class in which prohibition is in effect in all or part of the city, and upon a determination that an economic hardship exists in one (1) or more of the voting precincts of the city in the manner prescribed in subsection (10) of this section, the governing body of the city shall by ordinance designate such precinct or precincts as a limited sale precinct or precincts and shall provide for an election to be held in such precinct or precincts to take the sense of the people of each such precinct as to the discontinuance of prohibition in such precinct.

(3) The election shall be held in such precinct or precincts in the manner prescribed in KRS 242.010 to 242.040 and KRS 242.060 to 242.120. Such election shall not be deemed to be an election in the "same territory" within the meaning of subsection (5) of KRS 242.030; provided, however, that no election on the same question shall be held in the same precinct or precincts more often than once every five (5) years.

(4) The question shall be presented to the voters in conformance with the requirements of KRS 242.050 except that the form of the proposition shall be, "Are you in favor of the sale of alcoholic beverages in (official name and designation of precinct)?"

(5) If a majority of the votes cast in any limited sale precinct in which an election is held pursuant to this section are in favor of the sale of alcoholic beverages in that precinct, the governing body of the city shall by ordinance create or provide for the office of city alcoholic beverage control administrator and shall adopt a comprehensive regulatory ordinance covering the licensing and operation of establishments for the sale of alcoholic beverages within a limited sale precinct. In its discretion the governing body may provide that:

(a) Only three (3) licenses permitting the package sale at retail of alcoholic beverages shall be granted within the territorial limits of any limited sale precinct.

(b) Only four (4) licenses to sell alcoholic beverages by the drink for consumption on the premises by the general public shall be granted in any one (1) limited sale precinct. One (1) such license in each limited sale precinct may be reserved for grant to any newly established hotel, motel or inn containing not less than fifty (50) sleeping units and having dining facilities for not less than one hundred (100) persons. The remaining three (3) licenses may be granted to a hotel, motel or inn meeting the aforesaid requirements or to bona fide restaurants open to the general public having dining facilities for not less than one hundred (100) persons; and further provided that additional licenses to sell alcoholic beverages by the drink for consumption on the premises may be granted to social membership clubs established and maintained for the benefit of members only by bona fide fraternal or veterans organizations.

(6) The governing body may also incorporate in the regulatory ordinance such other reasonable rules and regulations as may be necessary or desirable for the proper administration and enforcement of this section and for the maintenance of public order in a limited sale precinct, and for the issuance of any licenses permitted by KRS 243.070; provided that any rule or regulation adopted in the regulatory ordinance shall conform to the requirements of KRS 241.190.

(7) Notwithstanding any limitations imposed on the city's taxing or licensing power by KRS 243.070 upon the discontinuance of prohibition in any limited sale precinct, the governing body of the city is hereby authorized to impose a regulatory license fee upon the gross receipts of each establishment located therein and licensed to sell alcoholic beverages. The regulatory license fee may be levied at the beginning of each city budget period at such percentage rate as shall be reasonably estimated to fully reimburse the city for the estimated costs of any additional policing, regulatory or administrative expenses related to the sale of alcoholic beverages in the city. Such regulatory license fee shall be in addition to any other taxes, fees or licenses permitted by law, but a credit against such fee shall be allowed in an amount equal to any licenses or fees imposed by the city pursuant to KRS 243.070.

(8) Subject to the limitation imposed by subsection (3) of this section, no provision contained in this section providing for the establishment of a limited sale precinct shall preclude or abridge the right of the constitutionally qualified voters of such precinct to petition for a subsequent election on the same question.

(9) If an election is held pursuant to other provisions of KRS Chapter 242 in the city or the county in which a limited sale precinct is located for the purpose of taking the sense of the voters upon the question of adopting or repealing prohibition for the entire city or the entire county, the status of such question in a limited sale precinct shall be determined in the following manner:

(a) The status of a limited sale precinct shall not be affected by any election for the entire city or the entire county if such limited sale precinct was established less than five (5) years prior to the date of the proposed election for the entire city or the entire county and in such case the voters of any limited sale precinct shall not vote in such election.

(b) If such limited sale precinct was established more than five (5) years prior to the date of the proposed election for the entire city or the entire county, the voters within each limited sale precinct shall be presented with the question, "Are you in favor of continuing the sale of alcoholic beverages in (official name and designation of precinct) as a limited sale precinct?" No other question shall be presented to the voters of any limited sale precinct.

(c) The votes of each limited sale precinct shall be counted separately, and, if a majority of the votes cast in the limited sale precinct are in favor of continuing the sale of alcoholic beverages therein as a limited sale precinct, then such status shall continue within such precinct, except that if the city or the county in which the limited sale precinct is located votes against prohibition in the remainder of the city or the county, the limited sale precinct status of any precinct may be terminated by the governing body of the city or the county and thereafter the status of such precinct shall be the same as that in effect for the remainder of the city or the county.

(10) Any precinct located entirely within any city of the second, *third or fourth* class in which prohibition is in effect in all or part of the city shall be designated as a limited sale precinct by the governing body of the city; provided that:

(a) The governing body determines to its satisfaction that the general trade, business and economy of one (1) or more of the precincts within the city is substantially adversely affected by reason of the legal sale of alcoholic beverages in any neighboring or adjoining state, county, city, town, district or precinct. For the purpose of making such determination, the governing body may hold such hearings, examine such witnesses or receive such evidence as it believes necessary or desirable for such purpose; or

(b) The governing body receives a petition signed by a number of constitutionally qualified voters of a precinct equal to thirty-three percent (33%) of the votes cast in the precinct at the last preceding general election requesting the governing body of the city to designate such precinct as a limited sale precinct. The petition may consist of one (1) or more separate units and shall be filed with the mayor of the city. In addition to the name of the voter, the petition shall also state his post office address and the correct date upon which his name is signed. Upon receipt of the petition, the mayor shall cause the same to be presented to the governing body of the city at its next regularly scheduled meeting and, after verifying that such petition is in compliance with the requirements of this section, the governing body shall forthwith by ordinance designate the precinct to be a limited sale precinct.

Title Amendment No. 2 to Committee Substitute to **SB 328**, by Representative Lundergan:

Amend printed copy of HCS for **SB 328** by amending the title to read as follows:

"AN ACT relating to alcoholic beverage control."

Floor Amendment No. 6 to **SB 336**, by Representative Hatcher:

Amend printed copy of GA Copy of **SB 336** on page 7, after line 16, insert the following:

"SECTION 3. A NEW SECTION OF KRS CHAPTER 142 IS CREATED TO READ AS FOLLOWS:

Where a club, organization or establishment discriminates in its membership policy against any person on the basis of race, color, sex, national origin or religion, no tax deduction whatsoever shall be taken for membership in such club, organization or establishment."

Floor Title Amendment to **SB 336**, by Representative Hatcher:

Amend printed copy of GA Copy of **SB 336** on page 1, by amending the title to read as follows: "AN ACT relating to taxes."

Floor Amendment No. 1 to **SB 343**, by Representative Mason:

Amend printed copy of GA Copy of **SB 343** on page 20, after line 14, by adding the following:

"Section 5. KRS 350.010 is amended to read as follows:

As used in this chapter unless the context requires otherwise:

(1) "Surface coal mining operations" means activities conducted on the surface of lands in connection with a surface coal mine and surface impacts incident to an underground coal mine. Such activities include excavation for the purpose of obtaining coal including such common methods as contour, strip, auger, extended depth secondary recovery systems, mountaintop removal, box cut, open pit, and area mining, the use of explosives and blasting, and in situ distillation or retorting, leaching or other chemical or physical processing, and cleaning, concentrating or other processing or preparation, and the loading of coal at or near the mine site. Such activities shall not include the extraction of coal by a landowner for his own noncommercial use from land owned or leased by him; the extraction of coal as an incidental part of federal, state or local government financed highway or other construction under regulations established by the cabinet; the extraction of, or intent to extract, two hundred fifty (250) tons or less of coal by any person by surface coal mining operations within twelve (12) successive calendar months; the extraction of coal incidental to the extraction of other minerals where coal does not exceed sixteen and two-thirds percent (16 2/3%) of the tonnage of minerals removed for purposes of commercial use or sale; or coal exploration subject to KRS 350.057. Surface coal mining operations shall also include the areas upon which such activities occur or where such activities disturb the natural land surface. Such areas shall also include any adjacent land the use of which is incidental to any such activities, all lands affected by the construction of new roads or the improvement or use of existing roads to gain access to the site of such activities and for haulage, and excavations, workings, impoundments, dams, ventilation shafts, entryways, refuse banks, dumps, stockpiles, overburden piles, spoil banks, culm banks, tailings, holes or depressions, repair areas, storage areas, processing areas, shipping areas and other areas upon which are sited structures, facilities, or other property or materials on the surface resulting from or incident to such activities. This definition includes the terms "strip mining" of coal and the "surface effects of underground mining" of coal as used in this chapter;

(2) "Strip mining" means the breaking of the surface soil in order to facilitate or accomplish the extraction or removal of minerals, ores, or other solid matter; any activity or process constituting all or part of a process for the extraction or removal of minerals, ores, and other solid matter from its original location; and the preparation, washing, cleaning, or other treatment of minerals, ores, or other solid matter so as to make them suitable for commercial, industrial, or construction use; but shall not include the extraction of coal by a landowner for his own noncommercial use from land owned or leased by him; the extraction of coal as an incidental part of federal, state or local government financed highway or other construction under regulations established by the cabinet; the extraction of, or intent to extract, two hundred fifty (250) tons or less of coal by any person by surface coal mining operations within twelve (12) successive calendar months; the extraction of coal incidental to the extraction of other minerals where coal does not exceed sixteen and two-thirds percent (16 2/3%) of the tonnage of minerals removed for purposes of commercial use or sale; coal exploration subject to KRS 350.057; nor shall it include the surface effects or surface impacts of underground

coal mining:

(3) "Surface coal mining and reclamation operations" means surface coal mining operations and all activities necessary and incident to the reclamation of such operations as required by this chapter;

(4) "Overburden" means material of any nature, consolidated or unconsolidated, excluding topsoil, which lies above a natural deposit of coal and also means such material after removal from its natural state in the process of surface coal mining;

(5) "Area of land affected" means any area of land or water upon which surface coal mining and reclamation operations are conducted or located or are to be conducted or located;

(6) "Operations" means surface coal mining operations, all of the premises, facilities, roads and equipment used in the process of producing coal from a designated area or removing overburden for the purpose of determining the location, quality or quantity of a natural coal deposit or the activity to facilitate or accomplish the extraction or the removal of coal;

(7) "Method of operation" means the method or manner by which the cut or open pit is made, the overburden is placed or handled, water is controlled and other acts are performed by the operator in the process of uncovering and removing the coal;

(8) "Operator" means any person, partnership or corporation engaged in surface coal mining and reclamation operations;

(9) "Person" means any persons, partnership, corporation, association, society, joint stock company, firm, company or other business organization;

(10) "Cabinet" means the natural resources and environmental protection cabinet;

(11) "Secretary" means the secretary of the natural resources and environmental protection cabinet;

(12) "Reclamation" means the reconditioning of the area affected by surface coal mining operations under a plan approved by the cabinet;

(13) "Degree" when used in this chapter shall mean from the horizontal, and in each case shall be subject to a tolerance of five percent (5%) of error;

(14) "Bench" means the ledge, shelf or terrace formed in the contour method of strip mining;

(15) "Fill bench" means that portion of the bench which is formed by depositing overburden beyond the cut section;

(16) "Approximate original contour" means that surface configuration achieved by backfilling and grading of the mined area so that the reclaimed area, including any terracing or access roads, closely resembles the general surface configuration of the land prior to mining and blends into and complements the drainage pattern of the surrounding terrain, with all highwalls and spoil piles eliminated; water impoundments may be permitted where the cabinet determines that they are in compliance with KRS 350.455;

(17) "Certification" by a qualified registered professional engineer as required by this chapter and regulations promulgated hereunder means a good faith representation to the best of his or her knowledge and belief, based on adequate knowledge of the requirements of this chapter and regulations promulgated hereunder, related experience, best professional judgment, accepted engineering practices and recognized professional standards, and standard practice as it relates to direct participation by the registered professional engineer or supervision of the registered professional engineer's employees or subordinates. Such certification shall not be construed to constitute a warranty or guarantee.

(18) *"Incidental boundary revisions" are those which:*

- (a) *Constitute a relatively small percentage of the initial permit acreage;*
- (b) *Are contiguous with the permit acreage;*
- (c) *Are within the same watershed as the initial permit acreage;*
- (d) *Are clearly required for the orderly and continuous mining operation;*
- (e) *Cover the same coal seams as in the permit;*
- (f) *Would only involve lands for which the hydrologic and geologic data and the probable hydrologic consequences analysis contained in the permit are applicable to the proposed incidental boundary revision;*
- (g) *Would not involve lands on which mining is prohibited or limited pursuant to KRS 350.085 (unless the appropriate waivers have been obtained), and land designated as unsuitable for mining, or any properties eligible for listing on the National Register of Historic Places;*
- (h) *Would not involve any of the special categories of mining listed in 30 CFR Part 785 (e.g., prime farmland, alluvial valley floors, and coal preparation plants) unless the approved permit already includes the relevant category;*
- (i) *Would not constitute a change in the method of mining;*
- (j) *Would be reclaimed in conformity with the initial reclamation plan; and,*
- (k) *For the purpose of this section, incidental boundary changes are described as follows: surface mining operations shall be allowed ten percent (10%) of the original permitted acreage up to twenty (20) acres. Underground operations shall be allowed ten percent (10%) of the original permitted acreage of the underground workings but for underground surface disturbances (e.g., face-up areas and haul roads) only up to 7.5 acres.*
- (l) *The cumulative acreage added by successive revisions shall not exceed the above limitations.*

Section 6. KRS 350.130 is amended to read as follows:

(1) When any of the requirements of this chapter or rules or regulations adopted pursuant thereto or the orders of the cabinet have not been complied with, the cabinet shall forthwith cause a notice of noncompliance to be issued upon the person or operator. The cabinet shall set forth in its notice a reasonable time period but not more than ninety (90) days for the abatement of the violation. If any person or operator has not abated the violation within the time prescribed in the notice of noncompliance, the secretary or other authorized personnel of the cabinet shall issue to said operator or person an order for immediate compliance and cessation of any mining activities or operations which are contributing to the violation. Such order shall require the person or operator to abate the violation in the most expeditious manner possible. The secretary is authorized to promulgate reasonable regulations for the implementation of this section. Such notice or order shall be handed to the person in charge of the operation, and the operator or person engaged in coal exploration operations or sent by certified mail, return receipt requested addressed to the permanent address shown on the application for a permit or if no address is shown on the application, then to the address known to the cabinet. The notice of noncompliance or order for immediate compliance and cessation shall specify in what respects the person or operator has failed to comply with this chapter or the regulations or orders of the cabinet and the remedial action required, the period of time established for abatement, and a reasonable description of the portion of the surface coal mining and reclamation operation to which the notice or order applies. *If an operator feels a reasonable time has not been granted for remedial action on a notice of noncompliance, then he may request and the cabinet shall grant one on-site inspection and review of the violation by supervisory personnel of the cabinet. This request shall not be construed as a waiver of the initial abatement period. After the on-site review by the cabinet supervisor, the period of remedial action may be adjusted.* If the person or operator has not reached an agreement with the cabinet or has not complied with the requirements set forth in the notice of noncompliance or order for immediate compliance and cessation within time limits set therein, the permit may be revoked or the operation terminated, after an opportunity for a hearing, by order of the cabinet and the performance bond, if any, shall then be forfeited to the cabinet, except as provided in subsection (2) of this section and in KRS 350.110, provided that failure to attend a hearing shall be excused for good cause shown.

(2) When a bond is forfeited pursuant to the provisions of this chapter, the secretary shall give notice to the attorney general, who shall collect the forfeiture. Bond forfeitures collected in cases where the surface rights have been severed from the mineral rights shall be paid to the surface owner for the purpose of reclaiming in accordance with the provisions of this chapter the same area of land included under the bond; provided, that no payment shall be made until the reclamation has been accomplished in the manner required by the cabinet, to the extent of available forfeited funds, and no payment shall be made beyond the actual cost of reclamation. Provided further, that this section shall not apply in cases where the owner cannot be located, or does not desire or is unable to accomplish the work in the manner required by the cabinet.

(3) An operator or person whose mining permit or operation has been revoked, suspended, or terminated or is at the time of the application in violation of this chapter or other applicable requirements as set forth in KRS 350.085 shall not be eligible to receive another permit or begin another operation or to have suspended permits or operations reinstated until he shall have complied with all the requirements of this chapter or submitted proof satisfactory to the cabinet under KRS 350.085 that such violation has been corrected or is in the process of being corrected in respect to all permits issued him, provided, further, that no operator or person shall be eligible to receive another permit or begin another operation who has forfeited any bond unless the land for which the bond was forfeited has been reclaimed without cost to the state or the operator or person has paid such sum as the cabinet finds is adequate to reclaim such lands. The cabinet shall not issue any permits to or allow future operations by any operator or person who has demonstrated a pattern of willful violations of this chapter of such nature and duration with such resulting irreparable damage to the environment as to indicate an intent not to comply with the provisions of this chapter, provided that no permit shall be denied on this basis without an opportunity for a hearing. The secretary shall promulgate regulations which implement this section. For the purposes of this section, if a corporate permittee has demonstrated a pattern of willful violations, then any subsequent application for a permit by that corporation, or any person who controls or has controlled that corporation, shall be denied.

(4) In the exercise of the secretary's enforcement powers and authority under this chapter, the secretary, or an authorized representative of the cabinet, after inspection shall immediately order the cessation of such condition or operation when he determines that the condition or operation creates an imminent danger to the health or safety of the public or that the condition or operation is causing or can reasonably be expected to cause significant imminent environmental harm in violation of this chapter or the regulations pursuant to this chapter, or any permit condition. For purposes of this subsection, "imminent danger to the health and safety of the public" means the existence of any condition or practice, or any violation of a permit or other requirement of this chapter in a surface coal mining and reclamation operation, which condition, practice, or violation could reasonably be expected to cause substantial physical harm to persons outside the permit area before such condition, practice, or violation can be abated. A reasonable expectation of death or serious injury before abatement exists if a rational person, subjected to the same conditions or practices giving rise to the peril, would not expose himself or herself to the danger during the time necessary for abatement.

(5) Each provision of this section shall be interpreted and applied consistently with due process of law.

(6) The secretary, or authorized representatives of the cabinet, shall have the power to vacate, amend, modify, or terminate notices of noncompliance and cessation orders, pursuant to regulations promulgated by the cabinet.

Section 7. KRS 350.465 is amended to read as follows:

(1) The provisions of this section and regulations promulgated pursuant thereto (except with regard to the mining of clay, limestone, sand, gravel, fluorspar, stone, and rock asphalt) shall apply to the regulation of all surface coal mining and reclamation operations in the Commonwealth in the event that the Commonwealth receives from the United States department of interior and pursuant to the surface mining control and reclamation act of 1977 (PL 95-87) approval of a permanent state regulatory program, and the Commonwealth has promulgated regulations pursuant to this section.

(2) The natural resources and environmental protection cabinet is hereby authorized and directed to prepare, develop and promulgate a comprehensive permanent regulatory program for the implementation of the surface mining control and reclamation act of 1977 (PL 95-87) for the purpose of accepting and administering primary enforcement responsibilities pursuant to that act. The implementation of this section shall contain procedures similar to the surface mining control and reclamation act of 1977 (PL 95-87) and shall require surface coal mining operation performance standards no more stringent than provided for in that act. Nothing herein shall be construed to empower the cabinet to adopt a regulatory program in conflict with the policy and purposes of the surface mining control and reclamation act of 1977 (PL 95-87). To that

end, the natural resources and environmental protection cabinet shall include in its permanent regulatory program:

(a) Environmental protection performance standards to prevent or minimize the adverse environmental effects of surface coal mining and reclamation operations on the land and water resources of the Commonwealth.

(b) A procedure for designating as being unsuitable for mining certain lands because of their topographical, geological, hydrological, climatological, biological, or chemical characteristics or historical, cultural, scientific or aesthetic values.

(c) Procedures and regulations for the allowance of those persons having an interest which is or may be adversely affected to have the opportunity to be heard at every significant or critical part of the administrative and judicial process, including, but not limited to, the permit review and issuance process, the general enforcement process and hearings incident thereto, and the rulemaking procedures conducted by the cabinet; and procedures and regulations for persons having a valid legal interest which is or may be adversely affected by the setting, release, and inspection of bonds to have an opportunity to be heard at every significant or critical part of the administrative and judicial process relating to bonds. Such regulations shall provide reasonable procedures for notice and an opportunity to be heard, access to minesites, access to records, and other reasonable procedures to accomplish the purposes of this chapter. *The cabinet shall exercise due care for persons accompanying authorized representatives of the cabinet during inspections.*

(d) Procedures for the administrative and judicial review of all actions of the cabinet to administer and enforce the provisions of this chapter, including the award of costs and expenses (including attorney's fees and expert witness fees) by the cabinet or the court.

(e) Plans and procedures for the reclamation and restoration of land and water resources affected by mining which have been abandoned or inadequately reclaimed to the standards imposed by this section and for which no bond is held or legal obligation to reclaim continues. Such plan shall include provisions for the imposition of liens for necessary reclamation expenditures made on private property.

(f) Procedures for the assumption of the small operator assistance program pursuant to the surface mining control and reclamation act of 1977 (PL 95-87). The cabinet shall assume and implement that program and apply for and administer funds as may be provided pursuant to that act and such state funds as may be provided for the program.

(3) In addition to any other authority, power and duty vested in it by law, the cabinet shall have and exercise broad authority, power and duty to:

(a) Require those persons who wish to engage in surface coal mining and reclamation operations to submit application for a permit from the cabinet to conduct such operations, and to include in that application all information required by the cabinet pertaining to that operation.

(b) Issue, deny, or modify under such conditions as the cabinet may prescribe, permits to conduct surface coal mining and reclamation operations within the Commonwealth.

(c) Enter and inspect any permitted surface coal mining and reclamation operation or any known or suspected unpermitted mining operation for the purpose of ascertaining compliance with any provision of this chapter or of the permit.

(d) Order the cessation of mining activities, and if necessary impose affirmative abatement obligations, upon the operator when, upon inspection, the cabinet determines that this section or any permit condition is being or has been violated so as to constitute an imminent and inordinate peril to the welfare of the Commonwealth.

(e) Order an operator to comply with the requirements of this section or his permit if inspection reveals a violation of the conditions of his permit or of any provision of this section.

(f) Order an operator to appear and show cause why his permit should not be suspended or revoked and his bond forfeited if the cabinet determines that the operator or the permitted operation has a pattern of violations of this section or permit conditions, and has wilfully violated this section or permit conditions

or a pattern of violations exists and that such violations are caused by the permittees' unwarranted failure to comply with this section or permit conditions.

(g) Require, increase, release or decrease, under such conditions as the cabinet may prescribe reclamation performance bonds and cause the forfeiture and collection of those bonds where the permittee has abandoned the operation or for which the permit under which the bond was given has been revoked or has expired without the required reclamation.

(h) To administratively impose, in lieu of those civil penalties provided for in KRS 350.990, civil penalties of up to five thousand dollars (\$5,000) per day for violations of permit conditions, this section, or any orders of the cabinet and enforce the administrative assessment of such penalties by initiating civil action in the Franklin Circuit Court or in any court having jurisdiction of the defendant.

(i) Conduct hearings and make investigations of any matter relating to the regulation of surface coal mining and reclamation operations, and provide for the assessment and payment of civil penalties including the placement of proposed civil penalty assessments into an escrow account prior to a contest on the amount of the assessment, consistent with the process of law.

(j) Provide for variances or exceptions consistent with KRS 350.450 from or in addition to mining performance standards, recognizing the specific characteristics inherent in:

1. Steep slope mining;
2. Mountaintop removal;
3. Relatively low acreage disturbance or annual coal production;
4. Prime farmland mining as defined by the United States department of agriculture, and to provide for other variances where land uses and watersheds will be improved; and
5. Post-mining uses different from and as beneficial as the pre-mining uses.

(k) Receive and expend funds or aid from whatever source to accomplish the purposes of this chapter.

(l) Propose and promulgate regulations to accomplish the purposes of this section.

(4) The cabinet shall not promulgate regulations which are inconsistent with the surface mining control and reclamation act of 1977 (PL 95-87).

(5) Any person who violates a provision of this section or the regulations promulgated pursuant thereto shall be subject to those penalties and remedies set forth in KRS 350.990 except as provided for in subsection (3)(h) herein.

Section 8. KRS 350.405 is amended to read as follows:

(1) The operator shall restore the land affected to a condition capable of supporting the uses which it was capable of supporting prior to any mining, or higher or better uses of which there is reasonable likelihood, so long as such use or uses do not present any actual or probable hazard to public health or safety or pose any actual or probable threat of water diminution or pollution, and the permit applicant's declared proposed land use following reclamation is not deemed to be impractical or unreasonable, inconsistent with applicable land use policies and plans, involves unreasonable delay in implementation, or is violative of federal, state, or local law.

(2) Roads shall be reclaimed according to regulations promulgated by the cabinet, but the cabinet shall approve retention of a road as suitable for the approved post mining land use if the property owner desires.

Section 9. KRS 350.440 is amended to read as follows:

The operator shall place all excess spoil material resulting from surface coal mining and reclamation operations pursuant to this chapter in the following manner:

- (1) Spoil is transported and placed in a controlled manner in position for concurrent compaction (where advisable) and in such a way as to assure mass stability and to prevent mass movement;
- (2) The areas of disposal are within the bonded permit areas and all organic matter shall be removed immediately prior to spoil placement;
- (3) Appropriate surface and internal drainage systems and diversion ditches are used so as to prevent spoil erosion and movement;
- (4) The disposal area does not contain springs, natural watercourses, or wet-weather seeps unless lateral drains are constructed from the wet area to the main underdrains in such a manner that filtration of the water into the spoil pile will be prevented;
- (5) If placed on a slope, the spoil is placed upon the most moderate slope among those upon which, in the judgment of the cabinet *with the concurrence of a cabinet engineer*, the spoil could be placed in compliance with all the requirements of this chapter and shall be placed, where possible, upon, or above, a natural terrace, bench, or berm, if such placement provides additional stability and prevents mass movement;
- (6) Where the toe of the spoil rests on a downslope, a rock toe buttress of sufficient size to prevent mass movement is constructed;
- (7) The final configuration is compatible with the natural drainage pattern and surroundings and suitable for intended uses;
- (8) Design of the spoil disposal area is certified by a qualified registered professional engineer in conformance with professional standards; and
- (9) All other provisions of this chapter are met."

Floor Amendment No. 8 to **SB 353**, by Representative Hatcher:

Amend printed copy of GA Copy of **SB 353** on page 1 through 3, by deleting Section 1. of the bill in its entirety and inserting in lieu thereof the following:

"SECTION 1. A NEW SECTION OF KRS CHAPTER 243 IS CREATED TO READ AS FOLLOWS:

No alcoholic beverage license, including those pursuant to KRS 243.270, shall be issued or renewed to any club, organization, or establishment which discriminates in its membership policy against any person on the basis of race, color, sex, national origin, or religion. The restricting of membership to persons of the same religion or denomination by a religious or denominational club, organization or establishment shall not be deemed a violation of this section if the restriction is calculated to promote the religious principles for which the club, organization or establishment is established and maintained."

Floor Amendment No. 9 to **SB 353**, by Representative Hatcher:

Amend printed copy of GA Copy of **SB 353** on page 3, after line 13, by inserting the following:

"SECTION 2. A NEW SECTION OF KRS CHAPTER 243 IS CREATED TO READ AS FOLLOWS:

No alcoholic beverage license, including those pursuant to KRS 243.270, shall be issued or renewed to any club, organization, or establishment which discriminates in its membership policy against any person on the basis of race, color, sex, national origin, or religion. The restricting of membership to persons of the same religion or denomination by a religious or denominational club, organization or establishment shall not be deemed a violation of this section if the restriction is calculated to promote the religious principles for which the club, organization or establishment is established and maintained."

Floor Amendment No. 2 to SB 376, by Representative Geveden:

Amend printed copy of GA Copy of SB 376 on page 1, following line 11, by adding the following:

"Section 2. KRS 100.277 is amended to read as follows:

- (1) All subdivision of land shall receive commission approval.
- (2) No person or his agent shall subdivide any land, before securing the approval of the planning commission of a plat designating the areas to be subdivided, and no plat of a subdivision of land within the planning unit jurisdiction shall be recorded by the county clerk until the plat has been approved by the commission and the approval entered thereon in writing by the chairman, secretary, or other duly authorized officer of the commission.
- (3) No person owning land composing a subdivision, or his agent, shall transfer or sell or agree to sell any lot or parcel of land located within a subdivision by reference to, or by exhibition, or by any other use of a plat of such subdivision, before such plat has received final approval of the planning commission and has been recorded. Any such instrument of transfer, sale or contract shall be void and shall not be subject to be recorded unless the subdivision plat subsequently receives final approval of the planning commission, but all rights of such purchaser to damages are hereby preserved. The description of such lot or parcel by metes and bounds in any contract or instrument of transfer or other document used in the process of selling or transferring same shall not exempt the person attempting to transfer from penalties provided or deprive the purchaser of any rights or remedies he may otherwise have.
- (4) Any street or other public ground which has been dedicated shall not be accepted for maintenance by the legislative body until it has received final plat approval by the planning commission.
- (5) *Any instrument of transfer, sale or contract that would otherwise have been void under this section and under any of its subsections previously, is deemed not to have been void, but merely not subject to be recorded unless the subdivision plat subsequently receives final approval of the planning commission. This subsection shall not apply to instruments of transactions affecting property in counties containing cities of the first class or in urban counties created pursuant to KRS Chapter 67A."*

Floor Title Amendment No. 2 to SB 376, by Representative Geveden:

Amend printed copy of GA Copy of SB 376 on page 1, by amending the Title to read as follows: "AN ACT relating to real estate."

Adjournment

Representative Stumbo moved that the House adjourn until 11:00 a.m., Monday, March 28, 1988.

The motion that the House adjourn until 11:00 a.m., Monday, March 28, 1988 was adopted by voice vote.

MONDAY, MARCH 28, 1988

FIFTY-FOURTH LEGISLATIVE DAY

The House was called to order by Speaker Blandford.

Prayer by Dr. John F. Callaway, First Presbyterian Church, Frankfort.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All members present.

Representative McElroy moved that the reading of the Journal of March 25, 1988 be dispensed with and the same approved. Agreed.

Senate Message

Announcing the passage of **HB 173** with Senate Amendments, **HB 371** with Senate Amendments, **HB 452** with Senate Amendment, **HB 484** with Senate Amendments, **HB 752** with Senate Amendment, **HB 754** with Senate Amendment, **HB 788** with Senate Amendment, **HB 811** with Senate Committee Substitute and Senate Amendment, **HB 956** with Senate Amendments, **HB 305**, **HB 310**, **HB 423**, **HB 424**, **HB 517**, **HB 586**, **HB 637**, **HB 684**, **HB 761**, **HB 719**, **HB 765**, **HB 901**, **HB 968** and **HB 973**.

Report on Enrolled Bills

The Committee on Enrollment reported **HB 519**, **HB 594**, **HB 673**, **HB 709**, **HB 755**, **HB 784**, **HB 873** and **HCR 17** had been examined and found correctly enrolled. Said Bills and Resolution read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate. (Time - 11:04 a.m.)

HB 519, **HB 594**, **HB 673**, **HB 709**, **HB 755**, **HB 784**, **HB 873** and **HCR 17** delivered to the Senate, signed by the President. Ordered delivered to the Governor.

Report on Enrolled Bills

The Committee on Enrollment reported **SB 35**, **SB 55**, **SB 99**, **SB 145**, **SB 286**, **SB 306**, **SB 331**, **SB 333**, **SB 338**, **SJR 17**, **SJR 50**, **SJR 65**, **SCR 82**, **SCR 83** and **SB 245** had been examined and found correctly enrolled. Said Bills and Resolutions read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate. (Time - 11:07 a.m.)

Introductions of Resolutions

HR 196, by Representatives Casebier and Lile: A RESOLUTION adjourning in honor of Kathy Adams.

HR 197, by Representatives Hancock, P. Richardson, Farrow, Crupper, Meyer, Pritchett, Hourigan, Callahan, Kerr and Priddy: A RESOLUTION commending the basketball teams of the University of Kentucky and University of Louisville.

HR 198, by Representative Kerr: A RESOLUTION honoring Kentucky Police Officers Dwayne White, Bill Stambaugh, and Firefighter Jeff Ruby.

HR 199, by Representative Strong: A RESOLUTION adjourning in honor of C. Vernon Cooper, Jr.

Reference of Bills and Resolutions

The Clerk reported the Committee on Committees has referred the following Bills:

Cities: **SB 183**.

Judiciary-Criminal: **SB 319, SB 334.**

Transportation: **SB 365.**

Report of Committees

The Committee on Rules reported **HB 919** and **HB 948** have been posted for passage in Orders of the Day, March 29, 1988.

Posting of Bills and Resolutions for Consideration

The Clerk announced the following Bill and Resolution have been posted for Committee consideration:

Banking and Insurance: **SB 393, SCR 115.**

Calendar

SB 392 taken from the Calendar and ordered read at length for the second time. Representative Stumbo moved that it be read by title only. Agreed by a majority of members elected. Ordered referred to the Committee on Rules.

Orders of the Day

The Speaker announced the appointment of the following members to serve on a Conference Committee on **HB 12**: Representatives McElroy, Chairman; Ackerson and Johnson.

SCR 69, with Floor Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Stumbo moved that **SCR 69** be passed.

On the roll call the vote was: Yeas 85, Nays 2. (See March 28, 1988 roll call on **SCR 69** - Appendix A.)

SCR 69 was passed and the title agreed to.

Representative Stumbo moved that the vote by which **SCR 69** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 157 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative B. Richardson moved that **SB 157** be passed.

On the roll call the vote was: Yeas 89, Nays 0. (See March 28, 1988 roll call on **SB 157** - Appendix A.)

SB 157 was passed and the title agreed to.

Representative B. Richardson moved that the vote by which **SB 157** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 167, with Floor Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Farrow moved the adoption of Floor Amendment No. 1 to **SB 167**. Agreed.

Representative Donnermeyer moved the adoption of Floor Amendment No. 2 to **SB 167**. Agreed.

Representative Farrow moved that **SB 167**, as amended, be passed.

On the roll call the vote was: Yeas 95, Nays 0. (See March 28, 1988 roll call on **SB 167** - Appendix A.)

SB 167, as amended, was passed and the title agreed to.

Representative Farrow moved that the vote by which **SB 167**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 265 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Adkins moved that **SB 265** be passed.

On the roll call the vote was: Yeas 94, Nays 0. (See March 28, 1988 roll call on **SB 265** - Appendix A.)

SB 265 was passed and the title agreed to.

Representative Adkins moved that the vote by which **SB 265** was passed be reconsidered and said motion be placed on the table. Agreed.

SB 283, with Committee Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Mason moved the adoption of Committee Amendment No. 1 to **SB 283**. Agreed.

Representative Deskins moved that **SB 283**, as amended, be passed.

On the roll call the vote was: Yeas 94, Nays 1. (See March 28, 1988 roll call on **SB 283** - Appendix A.)

SB 283, as amended, was passed and the title agreed to.

Representative Deskins moved that the vote by which **SB 283**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 239, with Committee Amendment and Floor Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Cline moved the adoption of Committee Amendment No. 1 to **SB 239**. Agreed.

Representative Walker moved the adoption of Floor Amendment No. 3 to **SB 239**. Agreed.

Representative B. Smith moved the adoption of Floor Amendment No. 2 to **SB 239**. Agreed.

Representative Cline moved that **SB 239**, as amended, be passed.

On the roll call the vote was: Yeas 88, Nays 7. (See March 28, 1988 roll call on **SB 239** - Appendix A.)

SB 239, as amended, was passed.

Representative Walker moved the adoption of Floor Title Amendment to **SB 239**. Agreed.

Representative Cline moved that the vote by which **SB 239**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 294, with Committee Amendment and Floor Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Richards moved the adoption of Floor Amendment No. 2 to **SB 294**. Agreed.

Representative Lundergan moved the adoption of Floor Amendment No. 3 to **SB 294**.

Representative Noe inquired whether Floor Amendment No. 3 to **SB 294** was germane to the Bill.

The Speaker ruled that Floor Amendment No. 3 to **SB 294** was not germane to the Bill.

Representative Lundergan moved the adoption of Floor Amendment No. 5 to **SB 294**. Agreed.

Representative Noe moved that **SB 294**, as amended, be passed.

On the roll call the vote was: Yeas 89, Nays 3. (See March 28, 1988 roll call on **SB 294** - Appendix A.)

SB 294, as amended, was passed and the title agreed to.

Representative Noe moved that the vote by which **SB 294**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 324, with Floor Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Johnson moved the adoption of Floor Amendment No. 3 to **SB 324**. Agreed.

Representative Morris moved the adoption of Floor Amendment No. 2 to **SB 324**. Agreed.

Representative Burch moved the adoption of Floor Amendment No. 5 to **SB 324**.

Representative Farrow inquired whether Floor Amendment No. 5 to **SB 324** was germane to the Bill.

The Speaker ruled that Floor Amendment No. 5 to **SB 324** was not germane to the Bill.

Representative Burch moved the adoption of Floor Amendment No. 4 to **SB 324**. Agreed.

Representative O'Brien moved that **SB 324**, as amended, be passed.

On the roll call the vote was: Yeas 93, Nays 2. (See March 28, 1988 roll call on **SB 324** - Appendix A.)

SB 324, as amended, was passed.

Representative O'Brien moved the adoption of Floor Title Amendment No. 2 to **SB 324**. Rejected.

Representative Johnson moved the adoption of Floor Title Amendment No. 1 to **SB 324**. Agreed; and the title was agreed to.

Representative O'Brien moved that the vote by which **SB 324**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 29, with Committee Amendments and Floor Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Stumbo moved the adoption of Committee Amendment No. 1 to **SB 29**. Agreed.

Representative Meyer moved the adoption of Floor Amendment No. 3 to **SB 29**.

Representative J. Harper moved that Floor Amendment No. 3 to **SB 29** be laid on the table.

On the roll call the vote was yeas 11-Allen, Gedling, J. Harper, Hoover, A. Jones, Layman, LeMaster, Lyne, Maggard, Noland, R. Smith. Nays 69-Ackerson, Adams, Adkins, Altman, Ark, Arnold, Ballard, Blandford, J. Brown, M. Brown, Burch, Callahan, Casebier, Castleman, L. Clark, P. Clark, Clarke, Cline, Crupper, Curd, Cyrus, Deskins, Donnermeyer, Farrow, Freibert, Gray, Gregory, Guenther, Hancock, Handy, K. Harper, Hourigan, Jackson, Johnson, R. Jones, T. Jones, Kerr, Lear, Lefevers, Lile, Little, Long, Lundergan, Mack, McBee, McElroy, Meyer, Moberly, Morris, Nett, Noe, Northup, O'Brien, Priddy, Pritchett, Rapier, B. Richardson, Ridley, Riner, Scorsone, B. Smith, Strong, Stumbo, Todd, Turner, Walker, White, Will, Yates.

The motion that Floor Amendment No. 3 to **SB 29** be laid on the table was rejected.

On the roll call the vote was yeas 43-Ackerson, Ballard, Blevins, M. Brown, Bruce, Callahan, Casebier, L. Clark, P. Clark, Cline, Deskins, Freibert, Guenther, Hancock, Handy, K. Harper, Hourigan, Johnson, Kerr, Lear, LeMaster, Lile, Little, Long, Lundergan, Mack, McBee, McElroy, Meyer, Moberly, Morris, Nett, Noe, Northup, O'Brien, Overstreet, Priddy, Pritchett, Ridley, Riner, B. Smith, Walker, Will. Nays 47-Adams, Adkins, Allen, Altman, Ark, Arnold, Blandford, J. Brown, Burch, Clarke, Crupper, Curd, Cyrus, Farrow, Ford, Gedling, Geveden, Gray, Gregory, J. Harper, Hoover, Jackson, A. Jones, R. Jones, Keith, Layman, Lefevers, Lyne, Maggard, Napier, Noland, Preston, Rapier, Reinhardt, B. Richardson, P. Richardson, Robinson, Scorsone, Seum, Siler, R. Smith, Strong, Stumbo, Todd, Turner, White, Yates.

Floor Amendment No. 3 to **SB 29** was rejected.

Representative Stumbo moved the adoption of Floor Amendment No. 2 to **SB 29**. Agreed.

Representative Stumbo moved that **SB 29**, as amended, be passed.

On the roll call the vote was: Yeas 73, Nays 18. (See March 28, 1988 roll call on **SB 29** - Appendix A.)

SB 29, as amended, was passed.

Representative Stumbo moved the adoption of Floor Title Amendment to **SB 29**. Agreed; and the title was agreed to.

Representative Stumbo moved that the vote by which **SB 29**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 336, with Floor Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Arnold moved the adoption of Floor Amendment No. 2 to **SB 336**. Agreed.

Representative Hancock moved the adoption of Floor Amendment No. 4 to **SB 336**.

Representative R. Jones inquired whether Floor Amendment No. 4 to **SB 336** was germane to the Bill.

The Speaker ruled that Floor Amendment No. 4 was germane to the Bill.

Representative Hancock moved the adoption of Floor Amendment No. 4 to **SB 336**. Rejected.

Representative Turner moved the adoption of Floor Amendment No. 3 to **SB 336**. Rejected.

Representative Hatcher moved the adoption of Floor Amendment No. 6 to **SB 336**.

Representative Allen inquired whether Floor Amendment No. 6 was to **SB 336** was germane to the Bill.

The Speaker ruled that Floor Amendment No. 6 was not germane to the Bill.

Representative Hancock moved the adoption of Floor Amendment No. 5 to **SB 336**.

Representative Hancock inquired whether Floor Amendment No. 5 to **SB 336** was germane to the Bill.

The Speaker ruled that Floor Amendment No. 5 to **SB 336** was not germane to the Bill.

Representative Arnold moved that **SB 336**, as amended, be passed.

On the roll call the vote was: Yeas 44, Nays 51. (See March 28, 1988 roll call on **SB 336** - Appendix A.)

SB 336, as amended, was defeated.

HR 163 taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative B. Richardson moved that **HR 163** be passed.

HR 163 was adopted by voice vote.

Senate Message

Announcing the passage of **HB 665** with Senate Amendments, and **HB 516** with Senate Committee Substitute and Senate Amendment.

Orders of the Day (continued)

SB 199, with Committee Substitute and Floor Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Barrows moved the adoption of Committee Substitute to **SB 199**. Agreed.

Representative Lundergan moved the adoption of Floor Amendment No. 1 to Committee Substitute to **SB 199**.

Representative Long inquired whether Floor Amendment No. 1 to Committee Substitute to **SB 199** was germane to the Bill.

The Speaker ruled that Floor Amendment No. 1 to Committee Substitute to **SB 199** was not germane to the Bill.

Representative Barrows moved that **SB 199**, by way of Committee Substitute, be passed.

On the roll call the vote was: Yeas 95, Nays 0. (See March 28, 1988 roll call on **SB 199** - Appendix A.)

SB 199, by way of Committee Substitute, was passed and the title agreed to.

Representative Barrows moved that the vote by which **SB 199**, by way of Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

Recess

Representative Stumbo moved that the House recess for one hour. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Senate Message

Announcing the passage of **HB 582** with Senate Committee Substitute, **HB 657** with Senate Committee Substitute, **HB 462**, **HB 500**, **HB 631**, **HB 711** and **HB 862**.

Representative Stumbo moved that the rules be suspended to act upon a Resolution. Agreed.

Representative Strong moved the adoption of the following **HR 199**:

HR 199. A RESOLUTION adjourning in honor of C. Vernon Cooper, Jr.

WHEREAS, C. Vernon Cooper, Jr., a native son of Hazard, has labored successfully in his beloved community for more than a half-century in the professions of banking and insurance; and

WHEREAS, C. Vernon Cooper, Jr. is a friend to Kentucky's libraries, librarians, and trustees; and

WHEREAS, C. Vernon Cooper, Jr. has served faithfully and with distinction for fourteen years as the first and only chair of the Kentucky Governor's Advisory Council on Libraries; and

WHEREAS, C. Vernon Cooper, Jr. is nationally recognized by the American Library Association as one of America's Outstanding Library Trustees, being the only Kentuckian ever to be so honored; and

WHEREAS, C. Vernon Cooper, Jr. was the earliest advocate for the construction of the new centralized Kentucky Department of Libraries and Archives, and acted as its prime mover; and

WHEREAS, C. Vernon Cooper, Jr. served with distinction as vice chairman of the Kentucky Board of Health and the Kentucky Council for the Bureau of Health Services; and

WHEREAS, C. Vernon Cooper, Jr. has devoted his life to the economic, educational and social development of the People of Appalachia, especially in his organizational leadership of the Council of Kentucky Area Development Districts of which he was the organizing president; and

WHEREAS, as a mountain man, equally at home in the hills of Kentucky and the mountains of the Republic of Argentina, C. Vernon Cooper, Jr. is a national hero of the Republic of Argentina, decorated by the President, for an act of heroism and bravery;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the members of this august body, meeting in regular session, do hereby commend C. Vernon Cooper, Jr. for a lifetime of contribution in service to the educational, economic, and social development of all the People of the Commonwealth of Kentucky.

Section 2. That the House of Representatives does hereby express its pride and esteem for C. Vernon Cooper, Jr. for his heroism and courage in behalf of a fallen friend in the Republic of Argentina and does declare him to be a bona fide Kentucky hero.

Section 3. That the members of the House do proclaim their heartfelt affection and warmest wishes to C. Vernon Cooper, Jr. in all his future adventures and expeditions.

Section 4. That when the House of Representatives does adjourn this day, Monday, March 28, 1988, it does so in honor and recognition of C. Vernon Cooper, Jr., Hazard, Kentucky.

Section 5. That the Clerk of the House of Representatives is directed to transmit a copy of this resolution to C. Vernon Cooper, Jr.

HR 199 was adopted by voice vote.

Representative Strong moved that a call of the roll be taken to show co-sponsors of **HR 199**. Agreed.

No roll call available due to malfunction of machine.

Orders of the Day (continued)

SB 280, with Committee Substitute and Floor Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Deskins moved the adoption of Committee Substitute to **SB 280**. Agreed.

Representative Priddy moved that **SB 280** be laid on the Clerk's Desk.

On the roll call the vote was yeas 35-Ackerson, Ballard, Barrows, Burch, Callahan, L. Clark, P. Clark, Clarke, Crupper, Donnermeyer, Farrow, Gregory, Guenther, Hancock, Handy, J. Harper, K. Harper, Heleringer, Kerr, Lile, Lundergan, McBee, McElroy, Meyer, Nett, Noe, Northup, O'Brien, Overstreet, Priddy, Reinhardt, Riner, Seum, Will, Yates. Nays 47-Adams, Adkins, Allen, Altman, Ark, Arnold, Blevins, Bronger, Bruce, Casebier, Castleman, Cline, Curd, Deskins, Ford, Geveden, Hatcher, Hoover, Hourigan, Jackson, A. Jones, R. Jones, T. Jones, Keith, Layman, Lefevers, LeMaster, Little, Long, Maggard, Mason, Moberly, Noland, Preston, Pritchett, Rapier, Richards, B. Richardson, Ridley, Scorsone, Siler, R. Smith, Strong, Stumbo, Turner, White, Worthington.

The motion that **SB 280** be laid on the Clerk's Desk was rejected.

Representative Nett moved the adoption of Floor Amendment No. 1 to Committee Substitute to **SB 280**.

Representative Deskins inquired whether Floor Amendment No. 1 to Committee Substitute to **SB 280** was germane to the Bill.

The Speaker ruled that Floor Amendment No. 1 to Committee Substitute to **SB 280** was not germane to the Bill.

Representative Deskins moved that **SB 280**, by way of Committee Substitute, be passed.

On the roll call the vote was: Yeas 74, Nays 21. (See March 28, 1988 roll call on **SB 280** - Appendix A.)

SB 280, by way of Committee Substitute, was passed.

Representative Deskins moved the adoption of Floor Title Amendment No. 1 to **SB 280**. Agreed; and the title was agreed to.

Representative Deskins moved that the vote by which **SB 280**, by way of Committee Substitute as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 147, with Floor Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Todd moved the adoption of Floor Amendment No. 1 to **SB 147**. Agreed.

Representative Farrow inquired whether Floor Amendment No. 1 to **SB 147** was germane to the Bill.

The Speaker ruled that Floor Amendment No. 1 to **SB 147** was germane to the Bill.

Representative Todd moved the adoption of Floor Amendment No. 1 to **SB 147**. Agreed.

Representative Ackerson moved the adoption of Floor Amendment No. 4 to **SB 147**.

Representative Farrow inquired whether Floor Amendment No. 4 to **SB 147** was germane to the Bill.

The Speaker ruled that Floor Amendment No. 4 to **SB 147** was not germane to the Bill.

Representative Nett moved the adoption of Floor Amendment No. 3 to **SB 147**.

Representative Farrow inquired whether Floor Amendment No. 3 to **SB 147** was germane to the Bill.

The Speaker ruled that Floor Amendment No. 3 to **SB 147** was not germane to the Bill.

Representative Freibert moved that **SB 147**, as amended, be passed.

On the roll call the vote was: Yeas 69, Nays 25. (See March 28, 1988 roll call on **SB 147** - Appendix A.)

SB 147, as amended, was passed and the title agreed to.

Representative Freibert moved that the vote by which **SB 147**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

Representative Stumbo moved that the rules be suspended to act upon **HB 665**. Agreed.

Representative Worthington moved that **HB 665** be returned to the Senate for correction. Agreed.

SB 268, with Committee Amendment and Floor Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Gedling moved the adoption of Committee Amendment No. 1 to **SB 268**. Agreed.

Representative Gedling moved the adoption of **SB 268**, as amended.

Representative Will moved the adoption of Floor Amendment No. 2 to **SB 268**.

On the roll call the vote was yeas 68-Ackerson, Adkins, Allen, Altman, Ark, Blandford, Blevins, Bronger, J. Brown, M. Brown, Callahan, Casebier, Castleman, Clarke, Cyrus, Deskins, Donnermeyer, Farrow, Freibert, Geveden, Gray, Gregory, Guenthner, Handy, J. Harper, K. Harper, Heleringer, Hoover, Hourigan, Johnson, T. Jones, Keith, Kerr, Layman, Lear, Lefevers, LeMaster, Lile, Little, Long, Lundergan, Mack, Maggard, Mason, McBee, Meyer, Moberly, Napier, Nett, Noe, Noland, Northup, O'Brien, Pritchett, Rapier, Reinhardt, Richards, Ridley, Riner, Scorsone, Siler, B. Smith, Strong, Todd, Turner, Walker, Will, Worthington. Nays 18-Adams, Burch, L. Clark, P. Clark, Cline, Crupper, Curd, Gedling, Hancock, Jackson, A. Jones, Lyne, McElroy, B. Richardson, R. Smith, Stumbo, White, Yates.

Floor Amendment No. 2 to **SB 268** was adopted.

Representative Lear moved the adoption of Floor Amendment No. 3 to **SB 268**.

Representative Guenthner inquired whether Rule 61 applied in regard to Floor Amendment No. 3 to **SB 268**.

The Speaker ruled Rule 61 did not apply and Floor Amendment No. 3 to **SB 268** was in order and before the House.

Representative Gedling moved that Floor Amendment No. 3 to **SB 268** be laid on the Clerk's Desk.

On the roll call the vote was yeas 50-Adkins, Allen, Ballard, Bronger, J. Brown, M. Brown, Bruce, Burch, Callahan, Casebier, Castleman, L. Clark, P. Clark, Cline, Crupper, Cyrus, Deskins, Donnermeyer, Gedling, Gray, Guenthner, Hancock, Hatcher, Heleringer, Hoover, Hourigan, Jackson, Johnson, A. Jones, Keith, Kerr, Layman, Lefevers, Little, Lyne, Mack, McBee, McElroy, Morris, Napier, Overstreet, Priddy, P. Richardson, Robinson, Seum, Siler, R. Smith, White, Worthington, Yates. Nays 50-Ackerson, Adams, Altman, Ark, Arnold, Barrows, Blandford, Blevins, Clarke, Curd, Farrow, Ford, Freibert, Geveden, Gregory, Handy, J. Harper, K. Harper, R. Jones, T. Jones, Lear, LeMaster, Lile, Long, Lundergan, Maggard, Mason, Meyer, Moberly, Nett, Noe, Noland, Northup, O'Brien, Preston, Pritchett, Rapier, Reinhardt, Richards, B. Richardson, Ridley, Riner, Scorsone, B. Smith, Strong, Stumbo, Todd, Turner, Walker, Will.

The motion that Floor Amendment No. 3 to **SB 268** be laid on the Clerk's Desk was rejected.

Representative Lear moved the adoption of Floor Amendment No. 3 to **SB 268**.

On the roll call the vote was yeas 50-Ackerson, Adams, Altman, Ark, Arnold, Barrows, Blandford, Blevins, M. Brown, Casebier, Clarke, Curd, Farrow, Ford, Freibert, Geveden, Gregory, Handy, J. Harper, K. Harper, R. Jones, Lear, LeMaster, Lile, Long, Maggard, Mason, McElroy, Meyer, Moberly, Nett, Noe, Noland, Northup, O'Brien, Preston, Pritchett, Rapier, Reinhardt, Richards, B. Richardson, Ridley, Riner, Scorsone, B. Smith, Strong, Stumbo, Turner, Walker, Will. Nays 47-Adkins, Allen, Ballard, Bronger, J. Brown, Bruce, Burch, Callahan, Castleman, L. Clark, P. Clark, Cline, Crupper, Cyrus, Deskins, Donnermeyer, Gedling, Gray, Guenthner, Hancock, Hatcher, Heleringer, Hoover, Hourigan, Jackson, Johnson, A. Jones, Keith, Kerr, Layman, Lefevers, Little, Lundergan, Lyne, Mack, McBee, Morris, Overstreet, Priddy, P. Richardson, Robinson, Seum, Siler, R. Smith, White, Worthington, Yates.

Floor Amendment No. 3 to **SB 268** was adopted.

Representative Lear moved that **SB 268**, as amended, be passed.

Representative Worthington moved the adoption of Floor Amendment No. 1 to **SB 268**. Agreed.

Representative Lear moved that **SB 268**, as amended, be passed.

Representative Gedling moved the adoption of Floor Amendment No. 4 to **SB 268**. Agreed.

Representative Lear moved that **SB 268**, as amended, be passed.

On the roll call the vote was: Yeas 51, Nays 48. (See March 28, 1988 roll call on **SB 268** - Appendix A.)

SB 268, as amended, was passed and the title agreed to.

Representative Stumbo moved that the vote by which **SB 268**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 516, with Senate Committee Substitute and Senate Amendment attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Committee Substitute to **HB 516** is as follows:

HB 516. AN ACT relating to appropriations for the operation, maintenance, support, and functioning of the government of the Commonwealth of Kentucky and its various officers, cabinets, departments, boards, commissions, institutions, subdivisions, agencies, and other state supported activities.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

PART I

GENERAL FUND

There is appropriated out of the General Fund for the fiscal year ending June 30, 1988, and, including any funds pursuant to KRS 48.700 as of June 30, 1988, for the fiscal year beginning July 1, 1988, and ending June 30, 1989, and, including any funds pursuant to KRS 48.700 as of June 30, 1989, for the fiscal year beginning July 1, 1989, and ending June 30, 1990, the following sums, or so much thereof as may be necessary, for the following officers, cabinets, departments, boards, commissions, institutions, subdivisions, and agencies of the State Government, and any and all other activities of the government of the Commonwealth of Kentucky subject to the provisions of Chapters 12, 42, 45, and 48 of the Kentucky Revised Statutes, for which a specific appropriation is in Part I as follows:

A. GOVERNMENT OPERATIONS

1. EXECUTIVE OFFICE OF THE GOVERNOR

a. Office of the Governor

1988-89 \$ 4,285,500

1989-90 \$ 4,104,100

Included in the above appropriation is \$600,000 in fiscal year 1988-89 and \$600,000 in fiscal year 1989-90 for the Governor's Scholars Program. Also included in the above appropriation in each year of the biennium is \$18,000 for the Governor's expense allowance to meet additional expenses associated with the position of Governor of Kentucky as specified in KRS 64.710. In addition, \$250,000 is included in the fiscal year 1988-89 appropriation in the Governor's Office for the Kentucky Lottery Commission.

b. Governor's Office for Policy and Management

1988-89 \$ 1,871,100

1989-90 \$ 1,902,400

c. State Planning Fund

1988-89 \$ 500,000

1989-90 \$ 500,000

The Governor is hereby authorized to expend funds for the improvement and advancement of governmental purposes and activities.

TOTAL—EXECUTIVE OFFICE OF THE GOVERNOR

1988-89 \$ 6,656,600

1989-90 \$ 6,506,500

2. LIEUTENANT GOVERNOR

1988-89 \$ 513,100

1989-90 \$ 522,400

Included in the above appropriation in each year of the biennium is \$10,000 for the Lieutenant Governor's expense allowance associated with the position of Lieutenant Governor of Kentucky as specified in KRS 64.710.

3. SECRETARY OF STATE

a. General Operations

1987-88 \$ 25,000

1988-89 \$ 1,283,600

1989-90 \$ 1,310,400

b. Restoration of Land Grant Books

1988-89 \$ 44,000

1989-90 \$ 44,000

TOTAL—SECRETARY OF STATE

1987-88 \$ 25,000

1988-89 \$ 1,327,600

1989-90 \$ 1,354,400

4. BOARD OF ELECTIONS

1987-88 \$ 3,000,000

1988-89 \$ 3,846,900

1989-90 \$ 3,800,000

Included in the above appropriation is \$601,000 in fiscal year 1988-89 and \$601,000 in fiscal year 1989-90 to pay the state's share of county election expenses (KRS 117.345) and the state's share of voter registration expenses (KRS 116.145). Any unexpended balance remaining at the close of each fiscal year shall lapse to

the credit of the General Fund. Any amount that the state is required to pay in excess of the above amounts under the provisions of KRS 116.145 is hereby appropriated.

Included in the above appropriation is \$2,024,000 in each fiscal year contingent upon the passage of 88SB385.

Included in the current year is \$3,000,000 which shall be used to pay for the Presidential Preference Primary pursuant to KRS 118.561.

5. TREASURY

1988-89.....	\$ 1,392,400
1989-90.....	\$ 1,433,100

6. DEPARTMENT OF LAW

1987-88.....	\$ 100,000
1988-89.....	\$ 5,754,000
1989-90.....	\$ 5,957,900

7. UNIFIED PROSECUTORIAL SYSTEM

a. Commonwealth's Attorney

1988-89.....	\$ 9,112,600
1989-90.....	\$ 9,540,800

b. County Attorney

1988-89.....	\$ 9,322,800
1989-90.....	\$ 10,000,400

TOTAL—UNIFIED PROSECUTORIAL SYSTEM

1988-89.....	\$ 18,435,400
1989-90.....	\$ 19,541,200

8. AUDITOR OF PUBLIC ACCOUNTS

1988-89.....	\$ 2,886,200
1989-90.....	\$ 2,962,500

The Auditor of Public Accounts shall report in writing each sixty (60) days to the Interim Joint Committee on Appropriations and Revenue the progress of all state audits, together with copies of all completed audits.

No state agency shall enter into any contract with a non-governmental entity for an audit unless the Auditor of Public Accounts has declined in writing to perform the audit or has failed to respond within thirty (30) days of receipt of a written request. The agency requesting the audit shall furnish the Auditor of Public Accounts a comprehensive statement of the scope and nature of the proposed audit.

There is hereby appropriated to the Auditor of Public Accounts funds which are required in the auditing of federal disaster relief funds.

The Auditor shall maintain a record of all time and expenses for each audit or investigation.

Any additional expense incurred by the Auditor of Public Accounts for auditing federal funds, when such audits are mandated by a cognizant federal audit agency, shall be charged to the audited agency, when such costs may be charged against federal funds. The Auditor of Public Accounts is hereby authorized to receive these federal funds in a separate account to be established for this purpose. The Auditor shall maintain a record of all costs and expenditures associated with this provision.

9. DEPARTMENT OF AGRICULTURE

1988-89	\$ 10,894,500
1989-90	\$ 11,215,600

10. DEPARTMENT OF MILITARY AFFAIRS

1988-89	\$ 7,056,200
1989-90	\$ 7,252,700

Included in the above appropriation is \$392,800 in fiscal year 1988-89 and \$392,800 in fiscal year 1989-90 for the Kentucky Early Warning System (KEWS) operation of which \$10,000 each year is intended for the maintenance of radio equipment.

There is hereby appropriated to the Department funds which are required as a result of the Governor's call of the Kentucky National Guard to active duty; provided, however, that an emergency situation shall have been declared to exist by the Governor.

There is hereby appropriated to the Department funds required to match federal aid to which the state would be eligible in the event of a Presidentially-declared disaster or emergency.

11. DEPARTMENT OF PERSONNEL

1987-88	\$ 250,000
1988-89	\$ 4,603,200
1989-90	\$ 4,976,100

12. PERSONNEL BOARD

1988-89	\$ 314,700
1989-90	\$ 319,700

13. DEPARTMENT FOR LOCAL GOVERNMENT

1988-89	\$ 5,543,700
1989-90	\$ 5,518,800

14. COUNTY COSTS

	1988-89	1989-90
a. Base Court Revenue	\$ 5,431,000	\$ 5,431,000
b. Sheriffs' Fees	1,374,500	1,374,500
c. Jury Fund	3,971,900	3,971,900
d. Witnesses	119,600	119,600
e. Special Bailiffs	26,600	26,600
f. Board of Assessment Appeals	20,600	20,600
g. Fugitives from Justice	368,700	368,700
h. Sheriffs' Expense Allowance	432,000	432,000
i. Premium on Sheriffs' Bonds	558,900	575,700
j. County Clerks - Making Tax Bills	620,800	639,400

TOTAL—COUNTY COSTS

1988-89..... \$ 12,924,600

1989-90..... \$ 12,960,000

15. Kentucky Center for the Arts

1988-89..... \$ 3,354,000

1989-90..... \$ 3,359,000

Included in the above appropriations are \$600,000 each fiscal year for general operating expenses and \$2,754,000 in fiscal year 1988-89 and \$2,759,000 in fiscal year 1989-90 for debt service payments.

16. SPECIAL FUNDS

a. Local Government Economic Assistance Fund

1987-88..... \$ 810,000

1988-89..... \$ 32,260,000

1989-90..... \$ 31,990,000

The above appropriations are based on the official estimate of the Secretary of Finance and Administration for severance tax collections during the biennium, distributed in accordance with KRS 42.450 through 42.495. The appropriation in fiscal year 1988-89 includes \$600,000 from coal severance tax receipts estimated to be collected through the accelerated tax collection program. In the event actual severance tax receipts are different from the official estimate, the amount to be allotted to the Local Government Economic Assistance Fund shall be determined in accordance with KRS 42.450 through 42.495.

b. Area Development Fund

1988-89..... \$ 5,410,000

1989-90..... \$ 5,410,000

Funds appropriated for the Area Development Fund shall be limited to these amounts notwithstanding the provisions set forth in KRS 48.185.

TOTAL—SPECIAL FUNDS

1987-88..... \$ 810,000

1988-89..... \$ 37,670,000

1989-90..... \$ 37,400,000

17. CAPITAL PLAZA

1988-89..... \$ 2,286,500

1989-90..... \$ 2,255,000

Included in the above appropriation is \$1,741,800 in fiscal year 1988-89 and \$1,736,800 in fiscal year 1989-90 which shall be used for debt service for the Capital Plaza.

Also included in the above appropriation is \$66,000 in fiscal year 1988-89 and \$64,000 in fiscal year 1989-90 for payment of debt service to replace the bleachers at the Farnham Dudgeon Civic Center with "chair-back" seats.

18. GENERAL OBLIGATION BONDS

a. Park Bonds

1988-89..... \$ 561,000

1989-90..... \$ 562,000

b. Veterans Bonus Bonds

1988-89..... \$ 7,888,000

1989-90..... \$ 7,893,000

c. 1965 General Purpose Bonds

1988-89..... \$ 2,059,000

1989-90..... \$ 2,063,000

TOTAL—GENERAL OBLIGATION BONDS

1988-89..... \$ 10,508,000

1989-90..... \$ 10,518,000

19. FINANCIAL DISCLOSURE REVIEW COMMISSION

1988-89..... \$ 53,100

1989-90..... \$ 55,400

20. MISCELLANEOUS APPROPRIATIONS

a. Board of Claims Awards

1988-89..... \$ 300,000

1989-90..... \$ 300,000

Funds are appropriated for the repayment of awards or judgments made by the Board of Claims against departments, boards, commissions, and other agencies maintained by appropriations out of the General Fund.

However, awards under \$500, in cases where the operating agency admits negligence, shall be paid from funds available for the operations of such agencies.

b. Judgments

1988-89..... \$ 500,000

1989-90..... \$ 500,000

For payment of such judgments as may be rendered against the Commonwealth by courts and orders of the State Personnel Board; such payments, where applicable, shall be subject to the provisions of KRS Chapter 45. Also, to pay medical malpractice judgments against the University of Kentucky and the University of Louisville in accordance with KRS 164.941 and 164.892. However, in no event shall the total payments exceed the sum of \$5,500,000 in any fiscal year.

c. Guardian Ad Litem

1988-89..... \$ 1,000,000

1989-90..... \$ 1,000,000

d. Prior Year Claims

1988-89..... \$ 100,000

1989-90..... \$ 100,000

e. Unredeemed Checks Refunded

1988-89..... \$ 60,000

1989-90..... \$ 60,000

Checks written by the State Treasurer and not cashed within the statutory period may be presented to the State Treasurer for reissuance in accordance with the provisions of KRS 41.370.

f. Blanket Employees Bonds

1988-89..... \$ 140,000

For payment of premiums on blanket surety bonds as provided by KRS 62.170.

g. Frankfort Planning Commission

1988-89..... \$ 1,000

1989-90..... \$ 1,000

h. Frankfort Cemetery

1988-89..... \$ 2,500

1989-90..... \$ 2,500

i. Public Improvements

1988-89..... \$ 5,000

1989-90..... \$ 5,000

Funds are appropriated for paying assessments for public improvements against property owned by the Commonwealth, and for which assessments the Commonwealth is deemed to be liable.

j. Police and Firemen—Life Insurance

1988-89..... \$ 50,000

1989-90..... \$ 50,000

Funds are appropriated for payment of benefits for state and local police and firemen in accordance with KRS 61.315.

k. Workers' Compensation

1988-89..... \$ 40,000

1989-90..... \$ 40,000

Fee officers in counties over 75,000 in population.

l. Master Commissioners—Employers Retirement

1988-89..... \$ 63,000

1989-90..... \$ 63,000

m. Master Commissioners—Social Security

1988-89..... \$ 100,000

1989-90..... \$ 100,000

n. Money Refunded

1988-89..... \$ 2,000

1989-90..... \$ 2,000

For refunding money paid into the State Treasury, which may later be determined not to be a lawful collection by the State. No money shall be refunded, however, after it has been paid into the State Treasury except by authority of the head of the department or agency to whom the money was originally paid and with the approval of the Secretary of the Finance and Administration Cabinet and the Attorney General.

TOTAL—MISCELLANEOUS APPROPRIATIONS

1988-89..... \$ 2,363,500

1989-90..... \$ 2,223,500

Funds required to pay the costs of items included within the Miscellaneous Appropriations category are hereby appropriated, and any required expenditure over the above amounts is to be paid from the General Fund Surplus Account.

21. FLOOD CONTROL ADVISORY COMMISSION

1988-89..... \$ 114,000

1989-90..... \$ 117,800

22. COMMISSION ON HUMAN RIGHTS

1988-89..... \$ 1,239,700

1989-90..... \$ 1,264,700

23. COMMISSION ON WOMEN

1988-89..... \$ 190,200

1989-90..... \$ 195,200

TOTAL—GOVERNMENT OPERATIONS

1987-88..... \$ 4,185,000

1988-89..... \$ 139,928,100

1989-90..... \$ 141,979,500

B. COMMERCE

24. OFFICE OF THE SECRETARY

1988-89..... \$ 38,158,700

1989-90..... \$ 43,831,600

Included in the above appropriation is \$22,945,200 in fiscal year 1988-89 and \$22,942,400 in fiscal year 1988-90 for debt service payments on the Economic Development Bond Program for the previously authorized bond issues. Included as a part of the debt service figures for the \$92 million bond authorization is an amount not to exceed \$3,389,868 in fiscal year 1988-89 and \$3,387,868 in fiscal year 1989-90 for the lease rental payments associated with the \$36,600,000 Economic Development Road Bond issue of the Kentucky Turnpike Authority.

The Secretary of Transportation shall certify to the Secretary of Commerce the actual amount required to meet the lease rental payment.

Included in the above appropriation is \$2,398,400 in fiscal year 1988-89 and \$6,041,600 in fiscal year 1989-90 for the debt service payment associated with \$46 million economic development bond authorization.

Also included in the above appropriation is \$10,458,900 in fiscal year 1988-89 and \$12,240,700 in fiscal year 1989-90 for the Bluegrass State Skills Corporation. Notwithstanding the provisions of KRS 157.740 the Secretary is directed to take such action as may be necessary to execute contractual agreements for designated skills training and education projects for which funds have been specifically appropriated.

No commitment for employee training shall be made beyond the ability of the cabinet to fund the project within the appropriation for the current biennium.

25. DEPARTMENT OF ECONOMIC DEVELOPMENT

1988-89..... \$ 3,653,900

1989-90..... \$ 3,724,800

26. KENTUCKY DEVELOPMENT FINANCE AUTHORITY

1988-89..... \$ 5,916,100

1989-90..... \$ 5,947,100

Included in the above appropriation is \$5,916,100 in fiscal year 1988-89 and \$5,947,100 in fiscal year 1989-90 for debt service payments associated with the \$50 million bond issue authorized in 1982 and the \$5 million bond issue authorized in 1986 for the Kentucky Development Finance Authority loan program.

27. DEPARTMENT OF THE ARTS

1988-89..... \$ 4,348,200

1989-90..... \$ 4,250,800

Included in the above appropriation is \$150,000 in fiscal year 1988-89 and \$150,000 in fiscal year 1989-90 for the Governor's Institute for the Arts. Also included in the above appropriation is \$1,800,000 in each fiscal year for the Development and Challenge Grant programs to be administered by the Kentucky Arts Council.

Included in the above appropriation is \$120,000 each fiscal year for Outdoor Drama Grants.

TOTAL—COMMERCE

1988-89..... \$ 52,076,900

1989-90..... \$ 57,754,300

C. CORRECTIONS

28. CORRECTIONS CABINET

a. Corrections Management

1988-89..... \$ 15,705,800

1989-90..... \$ 17,920,600

Included in the above appropriation is \$8,938,000 in fiscal year 1988-89 and \$9,001,000 in fiscal year 1989-90 for continuing debt service for State Property and Buildings Commission Project 32 and Project 36 bonds.

Included in the above appropriation is \$2,410,500 in fiscal year 1988-89 and \$4,454,700 in fiscal year 1989-90 for debt service to fund the expansion of the Morgan County facility, a new 152-bed replacement dormitory at the Kentucky State Reformatory, the conversion of the Roederer Farm Center facility to a medium security facility, the construction of a new 150-bed minimum security unit at Roederer Farm Center, and additional funding for the upgrade and expansion of the Kentucky Correctional Institution for Women.

Also included in the above appropriation is \$764,700 in fiscal year 1988-89 and \$793,000 in fiscal year 1989-90 for the operation of the Parole Board.

b. Adult Institutions

1988-89..... \$ 62,276,400

1989-90..... \$ 69,652,400

c. Community Service and Local Facilities

1987-88..... \$ 500,000

1988-89..... \$ 25,023,700

1989-90..... \$ 26,121,700

d. Local Jails Support

1988-89..... \$ 15,476,600

1989-90..... \$ 15,476,600

Included in the above appropriation is \$954,800 in fiscal year 1988-89 and \$954,800 in fiscal year 1989-90 for medical care contracts to be distributed, upon approval of the Corrections Cabinet, to counties by the formula codified in KRS 441.206; \$200,000 in fiscal year 1988-89 and \$200,000 in fiscal year 1989-90 is provided, on a partial reimbursement basis, for medical claims in excess of the statutorily established threshold pursuant to KRS 441.045.

It is the intent of the General Assembly that the \$954,800 in fiscal year 1988-89 and \$954,800 in fiscal year 1989-90 for medical contracts be maintained in an account specifically for medical contracts and that a county must be certified by the Corrections Cabinet to receive its pro rated share. To obtain certification, a county must submit a notarized statement to the Cabinet which states that it has, to the best of its ability, investigated and obtained the most feasible medical contract or contracts possible. A copy of the contract shall be appended to the letter requesting certification. Upon receipt of the letter requesting certification, the Corrections Cabinet shall review, and if approvable, distribute the funds as appropriate. If the contract is not approvable, the Cabinet must respond in writing to the county concerning its decision and basis for objection. In no event shall the Cabinet release funds without giving proper certification. In no event shall moneys be expended for medical services or supplies that are not provided through an approved contract.

It is the intention of the General Assembly that \$200,000 in fiscal year 1988-89 and \$200,000 in fiscal year 1989-90 be maintained in a separate account for catastrophic medical expenses for indigents. It is the intention of the General Assembly that any medical claim which exceeds the statutorial threshold may be reimbursed for that amount in excess of the statutorial threshold. In no event shall this apply to expenses of an elective, as opposed to emergency, basis and expenses shall be paid according to the Kentucky Medical Assistance Schedule.

TOTAL.—CORRECTIONS

1987-88.....	\$ 500,000
1988-89.....	\$ 118,482,500
1989-90.....	\$ 129,171,300

D. EDUCATION AND HUMANITIES

29. DEPARTMENT OF EDUCATION

a. General Administration

1988-89.....	\$ 10,142,400
1989-90.....	\$ 10,625,700

Included in the above appropriation is \$134,000 in fiscal year 1988-89 and \$429,600 in fiscal year 1989-90 for debt service, and \$2,385,100 in fiscal year 1988-89 and \$2,385,100 in fiscal year 1989-90 for maintenance of facilities and building insurance costs. The amounts herein identified shall be expended for these purposes and no others, except as provided in this Act. Any surplus shall lapse to the General Fund.

b. Local District Health and Life Insurance

1987-88.....	\$ 18,644,600
1988-89.....	\$ 72,384,600
1989-90.....	\$ 84,432,200

Included in the above appropriation is \$514,100 in fiscal year 1988-89 and \$519,400 in fiscal year 1989-90 to provide life insurance to each full-time certified and non-certified employee of local boards of education. Also included in the above appropriation is \$71,647,500 in fiscal year 1988-89 and \$83,681,700 in fiscal year 1989-90 to purchase medical insurance for certified and non-certified full-time employees of local boards of education pursuant to applicable statutes and regulations. If the costs for life insurance or health insurance exceed the levels of appropriated funds, any unexpended School Foundation Program funds may be used to offset such expenditures, subject to the approval of the Secretary of the Finance and Administration Cabinet.

c. Education for Exceptional Children

1988-89.....	\$ 10,837,800
1989-90.....	\$ 11,201,100

Of the above appropriation, at least \$3,424,500 in fiscal year 1988-89 and at least \$3,578,100 in fiscal year 1989-90 is included for the Kentucky School for the Blind, and at least \$5,378,800 in fiscal year 1988-89 and at least \$5,539,400 in fiscal year 1989-90 is included for the Kentucky School for the Deaf.

Also included in this appropriation is \$294,000 in fiscal year 1988-89 and \$319,000 in fiscal year 1989-90 for debt service for the Kentucky School for the Blind.

Also included in the above appropriation is \$316,500 in fiscal year 1988-89 and \$316,500 in fiscal year 1989-90 to provide for salary adjustments for administrators at the Kentucky School for the Blind and the Kentucky School for the Deaf.

d. School Foundation Program

1988-89.....	\$ 1,071,842,200
1989-90.....	\$ 1,114,064,800

Accumulated earnings for the Common School Fund shall each fiscal year be transferred to the School Foundation Program.

Funds appropriated to the School Foundation Program shall be allotted to school districts in accordance with KRS 157.310 through 157.430, except that the total of the funds allotted shall not exceed the appropriations for this purpose except as provided in this Act. If funds appropriated to the School Foundation Program are insufficient to provide the amount of money required under KRS 157.390(6), allotments to local school districts shall be reduced in accordance with KRS 157.430.

The amount to be included for the 1988-89 school year in the Foundation Program of a district for teachers' salaries shall be determined by multiplying the number of teachers in each rank, not to exceed the number of classroom units allowed, by the amount set forth in the following schedule, for a term of 185 days for each rank:

Rank	I	II	III	IV	V
Experience					
0-3 years	20,780	18,610	16,420	14,140	13,040
4-9 years	22,950	20,780	18,610	14,140	13,040
10-14 years	25,770	23,580	21,390	14,140	13,040
15-19 years	26,600	24,420	22,230	14,140	13,040
20 year and over	27,010	24,830	22,630	14,140	13,040

Beginning with the school year 1989-90, the amount to be included in the Foundation Program of a district for teachers' salaries shall be determined by multiplying the number of teachers in each rank, not to exceed the number of classroom units allowed, by the amount set forth in the following allotment schedule, for a term of 185 days, for each rank:

Rank	I	II	III	IV	V
Experience					
0-3 years	21,820	19,540	17,240	14,850	13,690
4-9 years	24,100	21,820	19,540	14,850	13,690
10-14 years	27,060	24,760	22,460	14,850	13,690
15-19 years	27,930	25,640	23,340	14,850	13,690
20 years and over	28,360	26,070	23,760	14,850	13,690

No working budget or salary schedule shall be approved in which the average salary paid any rank of teachers is not at least equivalent to the allotment for that rank, or in which any teacher is paid less than ninety-three percent (93%) of the School Foundation Program allotment for that rank for full-time service during the regular school year or the allotment under KRS 157.390(4) shall be reduced by an amount equal to the amount by which the district failed to meet salary requirements, except where there is a decline in

local revenue of the district concerned after it has levied the maximum ad valorem property tax rate permitted by law. Any such reduction permitted shall be only for the amount of the decline in local revenue.

In the event any local board of education contends there has been a decline in local tax resources in that district, the State Board of Education shall certify such contention to the Revenue Cabinet. Said Cabinet shall then determine whether there has, in fact, been a decline in local tax resources of such district, and, if so, the amount of such decline. The Revenue Cabinet shall then certify its determination to the State Board of Education, and Board shall accept such certified determination as final.

The State Board of Education shall not approve any working budgets or salary schedule summaries for local boards of education for the school years 1988-89 and 1989-90 in which the total amount for 185 days on the salary schedule summary for School Foundation Program teachers' instructional salaries is not equal to the amount for 185 days on the salary schedule summary for school foundation program teachers' instructional salaries in the preceding year, plus the additional amount for teachers' salaries received by the district under this appropriation for a 185-day school term by assuming the same classroom units and rank and experience of teachers in the current year as in the preceding year in each local school district.

Local school district personnel who are employed beyond the regular school term of 185 days shall be so employed in accordance with the provisions of KRS 157.390(4) and 702 KAR 1:025. Funding for these extended employment days shall not exceed \$24,151,400 in fiscal year 1988-89 and \$25,359,000 in fiscal year 1989-90.

Included in the above appropriations are funds to extend the employment of all vocational agriculture units funded in the school foundation program to two hundred forty (240) days.

The allotment of any school district classroom units, pursuant to KRS 157.360 (1) shall not exceed the number of teachers employed by that school district.

Notwithstanding the provisions of KRS 157.360(2)(b)(c)(e), in fiscal years 1988-89 and 1989-90 the allotment to school districts of basic classroom units for grades one (1) through three (3) shall be made on the basis of one for every twenty-two (22) pupils in average daily attendance, the allotments to school districts for grades four (4) through six (6) shall be made on the basis of one (1) for every twenty-six (26) pupils in average daily attendance; and the allotment for grades seven (7) through twelve (12) shall be made on the basis of one (1) for every twenty-seven (27) pupils in average daily attendance.

Notwithstanding the provisions of KRS 157.360(5), (6), and (10) the allotments, provision for which is made under this Act, for classroom units shall be as follows:

	1988-89	1989-90
Vocational Education	2,538	2,538
Exceptional Children	4,360	4,360

Provided, however, that if the budgeted units in any category of classroom units—Vocational Education, Exceptional Children, Kindergarten, classroom units for elementary and secondary schools, and units related to school administration—prove to be excessive, the surplus may be reallocated to any other category or categories by the Superintendent of Public Instruction, upon the approval of the State Board of Education and the Secretary of the Finance and Administration Cabinet.

Kindergarten units shall be allotted in fiscal year 1988-89 and fiscal year 1989-90 on the basis of one for every two classes with 25 pupils in average daily attendance in each class. The number of units allotted shall be based on end-of-year prior year average daily attendance including the percent of kindergarten increase in average daily attendance the first two months of the current year over the first two months of the previous school year.

The allotments of basic classroom units shall be made on the average daily attendance (ADA) for the end of the previous school year in public school grades one (1) through twelve (12) after the following deductions, (a) an average daily attendance of nine and six-tenths (9.6) in fiscal year 1988-89 and in fiscal year 1989-90 shall be deducted for each vocational education unit allotted, and (b) an average daily attendance of seven

and two-tenths (7.2) in fiscal year 1988-89 and fiscal year 1989-90 shall be deducted for each exceptional children unit allotted.

The total number of administrative and special instructional services (ASIS) units allotted under KRS 157.360(12) shall be the sum of the total allotted number of basic units, kindergarten units, vocational units, and exceptional children units divided by nine.

The State Board of Education shall promulgate regulations upon the recommendation of the Superintendent of Public Instruction which shall cause ASIS units to be allocated with first priority given to funding units required for accreditation, and second priority given to adding units for classroom instruction. The third priority of funding shall be given to other needs for ASIS units in local school districts.

Allotments for ASIS classroom units pursuant to KRS 157.360(12) shall only be for those personnel who are qualified for their respective positions under applicable provisions of law and regulations and who maintain programs which have been approved pursuant to applicable regulations.

The amount to be included in the Foundation Program for other current expenses in the 1988-90 biennium shall be determined by multiplying the number of classroom units by: \$5,272 in the 1988-89 school year and \$5,457 in the 1989-90 school year.

The amount to be included in the Foundation Program for capital outlay shall be determined by multiplying the number of classroom units by: \$1,800 in the 1988-89 school year and \$1,800 in the 1989-90 school year.

In accordance with the intent of KRS 162.060 and 162.160, no space shall be rented, purchased, or otherwise acquired and thereafter converted to classroom use without prior approval of the Superintendent of Public Instruction. The State Board of Education may adopt regulations for the housing of school children. No facilities shall be approved for classroom use which are detrimental to the health of or dangerous to the safety of school children.

If a school district operates any school or grade of a school for a term of less than 185 days in accordance with KRS 158.070, or for a school day of less than the minimum required by KRS 158.060, the average daily attendance of such school shall be reduced proportionately by the Superintendent of Public Instruction in determining the allotment of classroom units.

Any undistributed balance in the Foundation Program fund at the end of the fiscal years 1988-89 and 1989-90 shall lapse to the General Fund except where provisions to the contrary are provided in this Act.

The total appropriation for the School Foundation Program shall be measured by, or construed as, estimates of the state expenditures required by KRS 157.310 et. seq. If the required expenditures exceed these estimates, the Secretary of the Finance and Administration Cabinet, with approval of the Governor, may increase the appropriation by such amount as may be available and necessary to meet, to the extent possible, the required expenditures under the hereinabove cited sections of the Kentucky Revised Statutes; provided, however, that any such increase of the total appropriation to the Foundation Program is subject to Part VI, General Provisions, of this Act, and the provisions of KRS Chapter 48.

Included in this appropriation is \$86,805,000 in fiscal year 1988-89, and \$86,805,000 in fiscal year 1989-90 for the costs of transporting pupils to and from school. Calculations of the allotments of pupil transportation funds to school districts shall be made in accordance with KRS 157.370, except that the total of the funds allotted under KRS 157.390(7) shall not exceed \$86,805,000 in fiscal year 1988-89 and \$86,805,000 in fiscal year 1989-90 provided, however, that these sums may be increased by any excess funds appropriated for the School Foundation Program, but no such increases shall exceed the total transportation cost calculated in accordance with KRS 157.370, subject to the approval of the Superintendent of Public Instruction and the Secretary of the Finance and Administration Cabinet, except where provisions to the contrary are stated in this Act.

In the event that the funds appropriated for pupil transportation in fiscal year 1988-89 and fiscal year 1989-90 are insufficient to provide allotments to local school districts in accordance with KRS 157.370, notwithstanding KRS 157.430, the allotments of funds for pupil transportation only to local school districts shall be ratably reduced without reducing other allotments under this appropriation.

Included in the School Foundation Program appropriation is \$2,083,600 in fiscal year 1988-89 and \$2,083,600 in fiscal year 1989-90 for Vocational Transportation.

e. Power Equalization

1988-89	\$ 101,278,300
1989-90	\$ 111,278,300

Funds are appropriated for the purpose of equalizing expenditures among students in local school districts in accordance with KRS 157.545 - 157.580, notwithstanding KRS 157.560(2). If funds appropriated for Power Equalization are insufficient to provide allotments to local school districts in accordance with KRS 157.545 - 157.580, the allotments to local school districts shall be ratably reduced.

f. Instruction

1988-89	\$ 34,122,200
1989-90	\$ 34,701,500

g. Local Services

1988-89	\$ 18,412,300
1989-90	\$ 17,065,000

Included in the above appropriation is \$3,131,600 in fiscal year 1988-89 and \$3,182,000 for fiscal year 1989-90 for reimbursement to local school districts for the Out-of-District Children program operated in accordance with KRS 158.135 and applicable regulations. Funds to be expended for the Out-of-District Children program shall be limited to these amounts, and if sufficient funds are not available within these allocated amounts to reimburse each district for the total allowed cost of the program, each allocation shall be ratably reduced to the level of available funds.

The above appropriation also includes \$398,800 in fiscal year 1988-89 and \$410,500 in fiscal year 1989-90 for school district audits; and \$12,134,800 in fiscal year 1988-89 and \$10,700,400 in fiscal year 1989-90 for the purchase of textbooks for grades kindergarten through eight. Local school districts shall establish, pursuant to State Board of Education regulations, a process whereby pupils may rent textbooks for a reasonable fee. Textbooks purchased by the State Board of Education, prior to July 1, 1984, for grades nine through twelve shall continue to be loaned or rented to pupils until they are no longer selected and listed by the State Textbook Commission. Rental fees collected by the district shall be used for the maintenance of the textbooks and the purchase of new textbooks.

The textbooks selected by the textbook commission for each subject and grade shall be used as basal texts in school districts for a period of six (6) years.

No appropriation is included in this Act for the replacement of student fees; therefore, public schools may charge students for necessary fees and rentals, and may require students to purchase necessary instructional materials.

h. Vocational Education

1988-89	\$ 53,677,000
1989-90	\$ 55,363,100

i. Vocational Rehabilitation

1988-89	\$ 4,994,300
1989-90	\$ 5,124,100

j. Administrative Services and Budget Management

1988-89	\$ 6,660,300
1989-90	\$ 6,214,400

k. Teacher Retirement Employer Contribution Match

1988-89	\$ 6,600,000
1989-90	\$ 6,825,000

Notwithstanding the provisions of KRS 161.550, the above appropriations include the employer match, exclusive of the 3.25 percent overmatch, which will be forwarded to the Teachers' Retirement System pursuant to the provisions of KRS 161.560, except as otherwise provided in this Act.

TOTAL - DEPARTMENT OF EDUCATION

1987-88	\$ 18,644,600
1988-89	\$ 1,390,951,400
1989-90	\$ 1,456,895,200

30. KENTUCKY EDUCATIONAL TELEVISION

1988-89	\$ 9,854,400
1989-90	\$ 10,449,500

Included in the above appropriation is \$1,897,300 in fiscal year 1988-89 and \$1,897,100 in fiscal year 1989-90 for debt service. Within this amount in fiscal year 1988-89 is \$1,283,200 and \$1,284,100 in fiscal year 1989-90 for debt service for the telecommunications center and the second channel and equipment. Also included in the above appropriation is \$455,000 for start-up operating expenses in fiscal year 1989-90 for the Second Channel services.

31. HISTORICAL SOCIETY

1988-89	\$ 1,742,400
1989-90	\$ 1,840,800

32. LIBRARIES AND ARCHIVES

a. General Operations

1988-89	\$ 6,364,400
1989-90	\$ 6,540,700

Included in the above appropriation is \$1,426,000 in fiscal year 1988-89 and \$1,422,000 in fiscal year

1989-90 for debt service.

b. Direct Local Aid

1988-89	\$ 4,063,400
1989-90	\$ 4,063,400

Included in the above appropriation is \$1,445,300 in fiscal year 1988-89 and \$1,445,300 in fiscal year 1989-90 for state-aid grants to local public libraries. It is the intent of the General Assembly to distribute these funds according to the formula established by KRS 171.201 at the fiscal year 1987-88 level of funding, notwithstanding any other provisions of KRS 171.201 to the contrary.

33. DEPARTMENT FOR THE BLIND

1988-89	\$ 1,248,600
1989-90	\$ 1,273,200

34. TEACHERS' RETIREMENT SYSTEM

1988-89	\$ 135,854,200
1989-90	\$ 135,080,900

Funds are appropriated to comply with the obligations of the state under the Teachers' Retirement System statutes as provided in KRS 161.220 through 161.716, notwithstanding the provisions of KRS 161.550, except as otherwise provided in this Act.

The above appropriation is based upon estimated funds needed to meet the requirements of KRS 161.220 through 161.716, notwithstanding the provisions of KRS 161.550. In the event the above appropriations are in excess of these requirements, such excess funds shall lapse to the credit of the General Fund.

In accordance with KRS 161.420, in each fiscal year an amount not greater than four percent (4%) of the receipts of the state accumulation fund shall be set aside into the expense fund or expended for the administration of the retirement system. No General Fund dollars are provided in fiscal year 1988-89 or fiscal year 1989-90 for the cost of administration.

35. ORAL HISTORY COMMISSION

1988-89	\$ 103,400
1989-90	\$ 110,800

36. HERITAGE COUNCIL

1988-89	\$ 634,100
1989-90	\$ 637,900

Included in the above appropriation is \$210,000 in fiscal year 1988-89 and \$211,800 in fiscal year 1989-90 for the Kentucky Main Street Program.

37. COMMISSION ON THE DEAF AND HEARING IMPAIRED

1988-89	\$ 233,000
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1989-90 \$ 241,100

38. OFFICE OF THE SECRETARY

1988-89 \$ 271,200

1989-90 \$ 281,900

Included in the above appropriation is \$21,600 in fiscal year 1988-89 and \$22,900 in fiscal year 1989-90 for the Client Assistance Program for operations.

39. GOVERNOR'S COMMISSION ON LITERACY

1988-89 \$ 900,000

1989-90 \$ 900,000

40. SCHOOL FACILITIES CONSTRUCTION COMMISSION

1988-89 \$ 21,720,100

1989-90 \$ 31,784,500

TOTAL EDUCATION AND HUMANITIES

1987-88 \$ 18,644,600

1988-89 \$ 1,573,940,600

1989-90 \$ 1,650,099,900

E. ENERGY

41. KENTUCKY ENERGY CABINET

a. Administration and Support

1988-89 \$ 289,700

1989-90 \$ 305,900

b. Department of Energy Research and Development

1988-89 \$ 6,421,400

1989-90 \$ 6,590,400

c. Energy Demonstration Trust Fund

1988-89 \$ 279,000

1989-90 \$ 279,000

Included in the above appropriation is \$279,000 in fiscal year 1988-89 and \$279,000 in fiscal year 1989-90 for interest payments to the Tennessee Valley Authority for construction of the atmospheric fluidized bed

combustion (AFBC) project located at the Shawnee plant near Paducah.

d. Department of Energy Production and Utilization

1988-89 \$ 544,100

1989-90 \$ 570,000

TOTAL - ENERGY CABINET

1988-89 \$ 7,534,200

1989-90 \$ 7,745,300

F. FINANCE AND ADMINISTRATION CABINET

42. FINANCE AND ADMINISTRATION CABINET

a. General Administration

1988-89 \$ 2,946,900

1989-90 \$ 6,195,900

Included in the above appropriation is \$180,000 in fiscal year 1988-89 and \$185,000 in fiscal year 1989-90 for payment to the City of Frankfort for the provision of fire and police protection and other services for state-owned property in accordance with KRS 45.021. Also included in the above appropriation is \$3,208,600 in fiscal year 1989-90 in the Office for Investment and Debt Management for debt service payments for the Kentucky Community Public Works Program.

b. Department of Administration

1988-89 \$ 5,574,800

1989-90 \$ 5,364,200

c. Department of Facilities Management

1988-89 \$ 8,245,300

1989-90 \$ 9,088,300

Included in the above appropriation is \$1,134,800 in fiscal year 1988-89 and \$1,516,800 in fiscal year 1989-90 which shall be used for debt service for the Capitol and Capitol Annex mechanical and electrical renovation.

Also included is \$314,800 in fiscal year 1989-90 for debt service for final planning and site acquisition for a Centralized Laboratory Facility.

TOTAL - FINANCE AND ADMINISTRATION

1988-89 \$ 16,767,000

1989-90 \$ 20,648,400

G. HIGHER EDUCATION**43. COUNCIL ON HIGHER EDUCATION**

1988-89.....	\$ 6,212,500
1989-90.....	\$ 6,375,500

44. HIGHER EDUCATION ASSISTANCE AUTHORITY

1988-89.....	\$ 12,801,700
1989-90.....	\$ 12,801,700

Included in the above appropriation is \$6,143,100 in fiscal year 1988-89 and \$6,143,100 in fiscal year 1989-90 for Kentucky Tuition Grants. The above appropriation also includes \$6,158,600 in fiscal year 1988-89 and \$6,158,600 in fiscal year 1989-90 for State Student Incentive Grants.

Also included is \$500,000 in fiscal year 1988-89 and \$500,000 in fiscal year 1989-90 for Math and Science Scholarships.

45. EASTERN KENTUCKY UNIVERSITY

1988-89.....	\$ 44,466,200
1989-90.....	\$ 46,552,100

Included in the above appropriation is \$3,327,800 in fiscal year 1988-89 and \$3,457,400 in fiscal year 1989-90 for debt service. Notwithstanding the provisions of KRS 161.550, the above appropriations include the employer match, exclusive of the 3.25 percent overmatch, which will be forwarded to the Teachers' Retirement System pursuant to the provisions of KRS 161.560, except as otherwise provided in this Act.

46. KENTUCKY STATE UNIVERSITY

1988-89.....	\$ 15,397,500
1989-90.....	\$ 15,997,200

Included in the above appropriation is \$1,608,700 in fiscal year 1988-89 and \$1,616,200 in fiscal year 1989-90 for debt service. Notwithstanding the provisions of KRS 161.550, the above appropriations include the employer match, exclusive of the 3.25 percent overmatch, which will be forwarded to the Teachers' Retirement System pursuant to the provisions of KRS 161.560, except as otherwise provided in this Act.

47. MOREHEAD STATE UNIVERSITY

1988-89.....	\$ 26,874,400
1989-90.....	\$ 28,484,200

Included in the above appropriation is \$2,068,900 in fiscal year 1988-89 and \$2,422,700 in fiscal year 1989-90 for debt service. Notwithstanding the provisions of KRS 161.550, the above appropriations include the employer match, exclusive of the 3.25 percent overmatch, which will be forwarded to the Teachers' Retirement System pursuant to the provisions of KRS 161.560, except as otherwise provided in this Act.

48. MURRAY STATE UNIVERSITY

1988-89..... \$ 33,802,100
 1989-90 \$ 35,145,500

Included in the above appropriation is \$2,977,300 in fiscal year 1988-89 and \$2,981,300 in fiscal year 1989-90 for debt service. Notwithstanding the provisions of KRS 161.550, the above appropriations include the employer match, exclusive of the 3.25 percent overmatch, which will be forwarded to the Teachers' Retirement System pursuant to the provisions of KRS 161.560, except as otherwise provided in this Act.

49. NORTHERN KENTUCKY UNIVERSITY

1988-89..... \$ 24,944,200
 1989-90..... \$ 25,908,200

Included in the above appropriation is \$3,513,600 in fiscal year 1988-89 and \$3,512,500 in fiscal year 1989-90 for debt service.

50. UNIVERSITY OF KENTUCKY

1988-89..... \$ 233,079,000
 1989-90..... \$ 247,109,400

Included in the above appropriation is \$15,732,300 in fiscal year 1988-89 and \$16,689,900 in fiscal year 1989-90 for debt service. Of the stated debt service amounts, \$4,658,100 in fiscal year 1988-89 and \$4,945,300 in fiscal year 1989-90 are for the Community College System.

Included in the above appropriation is an amount for the Community College System which shall not be less than \$44,198,100 in fiscal year 1988-89 and \$48,109,000 in fiscal year 1989-90.

51. UNIVERSITY OF LOUISVILLE

1988-89..... \$ 113,983,300
 1989-90..... \$ 119,694,600

Included in the above appropriation is \$9,949,600 in fiscal year 1988-89 and \$9,944,000 in fiscal year 1989-90 for debt service. Also included in the above appropriation is \$11,547,100 in fiscal year 1988-89 and \$12,055,200 in fiscal year 1989-90 to fulfill the Commonwealth's contractual obligation relating to indigent care furnished by Humana Hospital-University. The appropriation related to indigent care in the first year of the biennium shall continue into the second year, for this purpose. Any unused portion of the appropriation relating to indigent care shall lapse to the credit of the General Fund at the end of fiscal year 1989-90.

52. WESTERN KENTUCKY UNIVERSITY

1988-89..... \$ 42,819,100
 1989-90..... \$ 45,751,500

Included in the above appropriation is \$2,431,400 in fiscal year 1988-89 and \$3,161,400 in fiscal year 1989-90 for debt service. Notwithstanding the provisions of KRS 161.550, the above appropriations include the employer match, exclusive of the 3.25 percent overmatch, which will be forwarded to the Teachers' Retirement System pursuant to the provisions of KRS 161.560, except as otherwise provided in this Act.

TOTAL - HIGHER EDUCATION

1988-89	\$ 554,380,000
1989-90	\$ 583,819,700

H. HUMAN RESOURCES

53. CABINET FOR HUMAN RESOURCES

a. Department for Social Insurance

1. Administration

1988-89	\$ 32,395,700
1989-90	\$ 34,988,700

The Secretary is directed to reimburse the Office of the Attorney General an amount not to exceed \$150,000 each year for cost incurred in relation to the Child Support Commission as established in **HB 586**.

The Department for Social Insurance shall reimburse citizen members of the Public Assistance Appeals Board an amount not to exceed \$50 per day plus travel expenses.

If any portion of this appropriation in either fiscal year is deemed to be in excess of the necessary expenses for administration of the Department, such amount, with the approval of the Governor, may be used for Public Assistance Benefits to the needy and/or Medicaid Benefits in accordance with the statutes governing the functions and activities of the Department for Social Insurance and of the Department for Medicaid Services. In no instance shall these excess funds be used, without the prior written approval of the Governor, to:

1. Establish a new program.
2. Expand the services of an existing program.
3. Increase rates or payment levels in an existing program.

In instances where approval is given, notification shall be immediately forwarded to the Legislative Research Commission, along with the Governor's written approval and supporting documents from the Cabinet for Human Resources and the Finance and Administration Cabinet.

2. Benefits

1988-89	\$ 53,555,600
1989-90	\$ 55,796,600

To be used for the payment of benefits in accordance with the statutes governing the functions and activities of the Department for Social Insurance. No portion of this appropriation may be used for the costs of administration.

If any portion of this appropriation in either fiscal year is deemed to be in excess of the necessary expenses for benefits, such amount, with the approval of the Governor, may be transferred from the Department for Social Insurance Benefits appropriation to the Department for Medicaid Services Benefits appropriation to avoid a projected deficit provided no reduction in services or eligibles will result from the transfer. Such transfer shall be approved by the Secretary of the Finance and Administration Cabinet after concurrence by the State Budget Director of the Governor's Office for Policy and Management. Such transfer shall be reported promptly to the Interim Joint Committee on Appropriations and Revenue. In no instance shall these excess funds be used to:

1. Establish a new program.
2. Expand the services of an existing program.
3. Increase rates or payment levels in an existing program.

b. Department for Medicaid Services

1. Administration

1988-89.....	\$ 9,691,000
1989-90	\$ 10,002,800

If any portion of this appropriation in either fiscal year is deemed to be in excess of the necessary expenses for administration of the Department, such amount, with the approval of the Governor, may be used for Medicaid Benefits and/or Public Assistance Benefits to the needy in accordance with the statutes governing the functions and activities of the Department for Medicaid Services and of the Department for Social Insurance. In no instance shall these excess funds be used, without the prior written approval of the Governor, to:

1. Establish a new program.
2. Expand the services of an existing program.
3. Increase rates or payment levels in an existing program.

In instances where approval is given, notification shall be immediately forwarded to the Legislative Research Commission, along with the Governor's written approval and supporting documents from the Cabinet for Human Resources and the Finance and Administration Cabinet.

2. Benefits

1988-89.....	\$ 210,771,500
1989-90.....	\$ 227,432,200

To be used for the payment of benefits in accordance with the statutes governing the functions and activities of the Department for Medicaid Services. No portion of this appropriation may be used for the costs of administration.

If any portion of this appropriation in either fiscal year is deemed to be in excess of the necessary expenses for benefits, such amount, with the approval of the Governor, may be transferred from the Department for Medicaid Services Benefits appropriation to the Department for Social Insurance Benefits appropriation to avoid a projected deficit, provided no reduction in services or eligibles will result from the transfer. Such transfer shall be approved by the Secretary of the Finance and Administration Cabinet after concurrence by the State Budget Director of the Governor's Office for Policy and Management. Such transfer shall be reported promptly to the Interim Joint Committee on Appropriations and Revenue. In no instance shall these funds be used to:

1. Establish a new program.
2. Expand the services of an existing program.
3. Increase rates of payment levels in an existing program.

c. Department for Employment Services

1988-89	\$ 12,800,000
1989-90	\$ 200,000

Included in the above appropriation is \$12,600,000 in fiscal year 1988-89 for training services associated with the Industrial Development Training Project. Any unexpended balance in fiscal year 1987-88 shall be continued in fiscal year 1988-89 and any unexpended balance in fiscal year 1988-89 shall be continued into fiscal year 1989-90.

d. Department for Health Services

1988-89	\$ 39,507,800
1989-90	\$ 39,962,500

e. Department for Mental Health/Mental Retardation Services

1988-89	\$ 83,612,500
1989-90	\$ 86,577,500

Included in the above appropriation is \$4,193,600 in fiscal year 1988-89 and \$4,193,600 in fiscal year 1989-90 for debt service.

f. Department for Social Services

1988-89	\$ 83,566,700
1989-90	\$ 86,869,300

Funds appropriated in each fiscal year for the Purchase of Day Care shall be equal to or greater than the FY 1987-88 Revised Budget plus an additional \$500,000. Any funds not expended for Priority I (Protection) children shall be expended for Priority II (Eligible low-income working families) children.

Any unexpended General Fund appropriation occurring during the fiscal years 1987-88 and 1988-89 in the Cabinet for Human Resources shall not lapse but be carried forward into the next fiscal year. The Secretary shall use up to \$750,000 of such funds in each fiscal year to increase reimbursement for private child care. The Secretary shall submit a plan to the Legislative Research Commission prior to such rate adjustment to set forth the methodology for the increase. In the event such carried forward amount exceeds \$750,000 in any year, the Department for Social Services shall use such additional funds for child protection services.

Notwithstanding KRS 205.460, entities contracting with the cabinet to provide essential services under KRS 205.455 and this section shall provide a minimum of 15% of the applicable contractual agreement as local match, excluding such costs related to assessment and case management, based on the period July 1, 1987 to June 30, 1988. Local match may include any combination of materials, commodities, transportation, office space, personal services or other types of facility services, or funds. The Secretary shall prescribe the procedures to certify the local match assurance.

g. Administration and Program Support

1988-89	\$ 15,544,600
1989-90	\$ 17,017,200

Included in the above appropriation is \$5,044,700 in fiscal year 1988-89 and \$5,683,700 in fiscal year 1989-90 for debt service.

TOTAL - HUMAN RESOURCES CABINET

1988-89..... \$ 541,445,400

1989-90..... \$ 558,846,800

54. Commission for Handicapped Children

1988-89..... \$ 6,799,500

1989-90..... \$ 6,870,800

55. Commission for Health Economics Control in Kentucky

1988-89..... \$ 586,400

1989-90..... \$ 643,000

TOTAL - HUMAN RESOURCES

1988-89..... \$ 548,831,300

1989-90..... \$ 566,360,600

I. JUSTICE

56. JUSTICE CABINET

a. Department of State Police

1988-89..... \$ 28,607,100

1989-90..... \$ 30,001,400

Included within the above appropriation is \$1,004,000 in fiscal year 1988-89 and \$1,054,000 in fiscal year 1989-90 for a salary enhancement program for personnel within the state police sworn ranks.

Included in the above appropriation is \$752,000 in fiscal year 1988-89 and in fiscal year 1989-90 for the Kentucky Early Warning System (KEWS) operation.

Included in the above appropriation is debt service of \$214,900 in each fiscal year for the automated fingerprint system and \$87,800 in each fiscal year for a new State Police post at Mayfield.

Also provided in the above appropriation is \$2,100,000 in fiscal year 1988-89 and \$1,875,000 in fiscal year 1989-90 for the purchase of approximately 325 state police vehicles. It is the intention of the General Assembly that savings which may accrue from the purchase of gasoline may be used for additional vehicle purchases.

There is hereby appropriated to the Department of State Police funds which are required as a result of the Governor's call of the Kentucky State Police to extraordinary duty; provided, however, that an emergency situation shall have been declared to exist by the Governor.

b. Justice Administration

1988-89..... \$ 1,614,100

1989-90..... \$ 1,665,400

TOTAL - JUSTICE CABINET

1988-89..... \$ 30,221,200

1989-90..... \$ 31,666,800

J. LABOR

57. LABOR CABINET

a. General Administration and Support

1988-89..... \$ 155,100

1989-90..... \$ 158,900

b. Department of Workplace Standards

1988-89..... \$ 1,454,400

1989-90..... \$ 1,504,700

TOTAL - LABOR CABINET

1988-89..... \$ 1,609,500

1989-90..... \$ 1,663,600

K. NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION

58. NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION CABINET

a. Department for Natural Resources

1988-89..... \$ 6,446,900

1989-90..... \$ 6,636,600

Not less than \$60,000 of the appropriation for each fiscal year shall be set aside from emergency forest fire suppression. Any expenditure for emergency fire suppression in excess of this amount in either fiscal year is hereby appropriated; provided, however, that the Secretary of the Finance and Administration Cabinet shall certify as to the advisability of such expenditure and the Governor shall approve such expenditure by written order.

b. Department for Environmental Protection

1988-89..... \$ 11,991,500

1989-90..... \$ 12,585,100

Included in the above appropriation is \$871,600 in fiscal year 1988-89 and \$1,466,300 in fiscal year 1989-90 for debt service.

Maxey Flats water management activity funds of \$440,000 in fiscal year 1989 and \$430,000 in fiscal year 1990 shall be reserved in a separate account for the purposes of final site decommissioning. Unexpended funds shall not lapse and will be carried forward. No monies shall be expended from the reserve account for pumping or evaporation of the water inventory at the site unless the Natural Resources Cabinet certifies to the State Budget Director, copy to the Interim Joint Committee on Appropriations and Revenue, of the extreme necessity to prevent exposure to contaminated materials.

c. Department for Surface Mining Reclamation and Enforcement

1988-89..... \$ 9,287,900

1989-90..... \$ 9,572,400

Included in the above appropriation is \$1,000,000 in each fiscal year for the return of permit and acreage fees per KRS 350.139; any required expenditure for this purpose in excess of this amount in either fiscal year is hereby appropriated to the Department.

d. General Administration and Support

1988-89..... \$ 2,695,900

1989-90..... \$ 2,841,000

TOTAL-NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION CABINET

1988-89..... \$ 30,422,200

1989-90..... \$ 31,635,100

59. ENVIRONMENTAL QUALITY COMMISSION

1988-89..... \$ 91,300

1989-90..... \$ 94,000

60. KENTUCKY NATURE PRESERVES COMMISSION

1988-89..... \$ 245,600

1989-90..... \$ 275,300

TOTAL-NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION

1988-89..... \$ 30,759,100

1989-90..... \$ 32,004,400

L. PUBLIC PROTECTION AND REGULATION

61. OFFICE OF THE SECRETARY

1988-89..... \$ 385,600

1989-90..... \$ 402,000

62. DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL

1988-89..... \$ 1,568,700

1989-90..... \$ 1,626,000

63. BOARD OF CLAIMS/CRIME VICTIMS COMPENSATION BOARD

1988-89..... \$ 424,900

1989-90..... \$ 542,300

64. BOARD OF TAX APPEALS

1988-89..... \$ 218,600

1989-90..... \$ 227,700

65. DEPARTMENT OF HOUSING, BUILDINGS AND CONSTRUCTION

1988-89..... \$ 2,103,800

1989-90..... \$ 1,995,700

66. KENTUCKY STATE RACING COMMISSION

1988-89..... \$ 484,900

1989-90..... \$ 460,900

67. KENTUCKY HARNESS RACING COMMISSION

1988-89..... \$ 558,600

1989-90..... \$ 583,400

68. DEPARTMENT OF MINES AND MINERALS

1988-89..... \$ 7,029,800

1989-90..... \$ 7,267,000

69. DEPARTMENT OF PUBLIC ADVOCACY

1988-89..... \$ 8,661,400

1989-90..... \$ 8,880,700

70. PUBLIC SERVICE COMMISSION

1988-89..... \$ 5,012,600

1989-90..... \$ 5,344,600

Included in the above appropriation in fiscal year 1988-89 is a continued appropriation in the amount of \$389,500.

Included in the above appropriation is \$150,000 in fiscal year 1989-90 which may be used for the capital project in Part V.

71. REGISTRY OF ELECTION FINANCE

1988-89..... \$ 636,300

1989-90..... \$ 636,100

TOTAL-PUBLIC PROTECTION AND REGULATION CABINET

1988-89..... \$ 27,085,200

1989-90..... \$ 27,966,400

M. REVENUE CABINET

a. General Administration and Support

1988-89..... \$ 4,692,000

1989-90..... \$ 4,828,900

Included in the above appropriation is the funding for the Office of the Secretary, and the programs of the Department of Professional and Support Services.

b. Property Valuation Administrators

1988-89..... \$ 11,997,900

1989-90..... \$ 11,997,900

c. Department of Processing and Enforcement

1988-89..... \$ 25,841,300

1989-90..... \$ 26,110,700

d. Department of Property Taxation

1988-89..... \$ 3,856,100

1989-90..... \$ 3,946,500

TOTAL-REVENUE CABINET

1988-89..... \$ 46,387,300

1989-90..... \$ 46,884,000

N. TOURISM

72. SECRETARY

1988-89.....	\$ 708,300
1989-90.....	\$ 745,400

73. BREAKS INTERSTATE PARK

1988-89.....	\$ 175,000
1989-90.....	\$ 200,000

For matching funds appropriated by the Commonwealth of Virginia relating to construction, maintenance, and operations at the Breaks Interstate Park. In accordance with the Breaks Interstate Compact this appropriation is contingent upon an appropriation by the Commonwealth of Virginia adequate to match this amount on an equal basis; provided, however, that appropriations to date shall be considered cumulatively, and any deficit in appropriations by this state may be removed.

74. DEPARTMENT OF TRAVEL DEVELOPMENT

1988-89.....	\$ 4,906,100
1989-90.....	\$ 4,961,900

75. DEPARTMENT OF PARKS

1988-89.....	\$ 18,639,300
1989-90.....	\$ 18,676,700

Included in the above appropriation is \$998,400 in fiscal year 1988-89 and \$1,205,400 in fiscal year 1989-90 for debt service for Project 45 and the projects identified in Part V.

76. KENTUCKY HORSE PARK

1988-89.....	\$ 1,853,300
1989-90.....	\$ 1,817,400

Included is \$1,326,000 in fiscal year 1988-89 and \$1,329,000 in fiscal year 1989-90 for the debt service requirement of the Project 29 Revenue Bonds.

77. STATE FAIR BOARD

1988-89.....	\$ 6,685,800
1989-90.....	\$ 8,357,300

Included in the above appropriation is at least \$6,236,100 in fiscal year 1988-89 and \$7,910,000 in fiscal year 1989-90 for debt service. Also included in the above appropriations is \$449,700 in fiscal year 1988-89 and \$447,300 in fiscal year 1989-90 for the North American International Livestock Exposition.

TOTAL-TOURISM CABINET

1988-89.....	\$ 32,967,800
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1989-90..... \$ 34,758,700

O. TRANSPORTATION

78. TRANSPORTATION CABINET

a. General Administration and Support

1988-89..... \$ 256,500

1989-90..... \$ 254,900

b. Air Transportation

1988-89..... \$ 1,194,500

1989-90..... \$ 1,214,800

Included within the above appropriation is a continuing appropriation of \$681,300 in fiscal year 1988-89 and \$681,300 in fiscal year 1989-90.

c. Rail Transportation

1988-89..... \$ 83,400

1989-90..... \$ 84,800

d. Public Transportation

1988-89..... \$ 428,600

1989-90..... \$ 429,600

Included within the above appropriation is a continuing appropriation of \$392,800 in fiscal year 1988-89 and \$392,200 in fiscal year 1989-90.

TOTAL-TRANSPORTATION CABINET

1988-89..... \$ 1,963,000

1989-90..... \$ 1,984,100

TOTAL-EXECUTIVE DEPARTMENT OF STATE GOVERNMENT

1987-88..... \$ 23,329,600

1988-89..... \$ 3,187,462,600

1989-90..... \$ 3,335,047,000

Included in the above amount is \$4,528,900 in fiscal year 1988-89 and \$540,000 in fiscal year 1989-90 for capital projects funded in Part V of this Act.

PART II

TRUST AND AGENCY FUNDS

There is appropriated to the various officers, cabinets, departments, boards, commissions, institutions, subdivisions, and other agencies of the State Government only as are listed herein for the fiscal year ending June 30, 1989, and for the fiscal year ending June 30, 1990, all of the fees (which include fees for board and room athletics, and student activities) and rental, admittances, sales, bond proceeds, licenses collected by law, gifts, subventions, contributions, income from investments and other miscellaneous receipts produced or received by any of the following agencies of the State Government, except as otherwise specifically provided, for the use and benefit of each of the below-named agencies of the State Government for the purposes for which each fund is authorized. Receipts which are received by each of the respective agencies of the State Government listed herein shall be placed to the credit of a Trust and Revolving, or an Agency Fund out of which shall be established separate Trust and Revolving or Agency Fund accounts for the use and benefit of these agencies of the State Government for purposes for which each fund is authorized. All funds received shall be deposited in the State Treasury and credited to the proper account as provided by KRS Chapters 12, 42, 45, and 48.

In the event receipts received and credited to any Trust and Revolving or Agency Fund account during fiscal year 1988-89 or fiscal year 1989-90 and any balance forwarded to the credit of any such account from the previous year, exceed, by the sum of five percent (5%), the appropriation made by specific sum to said account for the fiscal year in which the excess occurs, said excess shall become available for expenditure for the purpose of the account during said year only with the authorization of the State Budget Director of the Governor's Office for Policy and Management upon approval of the Secretary of the Finance and Administration Cabinet; provided, however, that institutions of higher education may receive and expend all trust and agency funds without limitation.

Except as herein otherwise provided, the appropriate agency may requisition for expenditure from the Trust and Revolving or Agency Fund account, through the Finance and Administration Cabinet, during the fiscal year ending June 30, 1989, and during the fiscal year ending June 30, 1990 all receipts placed to the credit of the Trust and Revolving or Agency Fund for such year, out of which has been established a Trust and Revolving or Agency Fund account for each separate agency during such fiscal year, in addition to any balance which said agency may have had forwarded from the preceding year on or before August 31, of the then current fiscal year, by the Finance and Administration Cabinet. On or before the beginning of each fiscal year, each agency, other than institutions of higher education, shall submit to the Finance and Administration Cabinet and the Legislative Research Commission schedules for each budget unit showing estimated receipts and estimated expenditures, a comparative statement of any revised estimated receipts and expenditures with amounts provided in the Executive Budget as adopted by the 1988 General Assembly, and statements which explain the occurrence of such variances.

In the event a budget unit not listed herein receives unanticipated monies, the Secretary of the Finance and Administration Cabinet, upon written request from the agency head with appropriate documentation of the amount, source, purpose, necessity and use of such monies, may authorize, upon recommendation of the Governor's Office for Policy and Management, the credit and expenditure of such funds for statutory purposes. The Secretary of the Finance and Administration Cabinet shall cause to be established a restricted account for the receipt and disbursement of such funds and shall establish the maximum sum which may be credited and expended from the authorized account. The Secretary of the Finance and Administration Cabinet, in consultation with the Interim Joint Committee on Appropriations and Revenue, shall provide appropriate notice pursuant to this event to the Legislative Research Commission.

A. GOVERNMENT OPERATIONS

1. SECRETARY OF STATE

All operating receipts from all activities of the Office of the Secretary of State shall be deposited in the State Treasury to the credit of the General Fund.

2. BOARD OF ELECTIONS

1988-89..... \$ 90,000

1989-90 \$ 90,000

3. TREASURY

1988-89 \$ 165,000

1989-90 \$ 165,000

4. DEPARTMENT OF LAW

1988-89 \$ 1,142,200

1989-90 \$ 1,170,600

Included in the above appropriation is \$184,500 in FY 1988-89 and \$189,900 in FY 1989-90 for the asbestos litigation team. The Secretary of Finance and Administration shall assess each budget unit of the state an amount based on their pro-rata share of state-owned space sufficient to fund the Asbestos Litigation Team as provided in this appropriation.

5. COUNTY ATTORNEY

1988-89 \$ 500

1989-90 \$ 500

6. AUDITOR OF PUBLIC ACCOUNTS

1988-89 \$ 1,201,600

1989-90 \$ 1,246,800

Each quarter, the Auditor of Public Accounts shall notify the Finance and Administration Cabinet concerning the collection status of the fees charged for county audits. If a county government is delinquent in its payment to the Auditor of Public Accounts, the Finance and Administration Cabinet shall withhold any monies due that county government for the term of one hundred and twenty (120) days or until the Auditor of Public Accounts has received full payment from the county. The Auditor of Public Accounts is authorized to increase the audit fees for conducting County Audits if additional revenues are needed to continue the operation of the office.

The "Single Audit Act of 1984" (OMB Circular No. A-128) will change the method by which federal monies to state agencies are audited. As a result of this federal change, the Auditor of Public Accounts is budgeted to receive additional agency receipts which shall be allotted by the Governor's Office for Policy and Management for programs authorized in the enacted budget for the Auditor of Public Accounts by the 1988 General Assembly.

7. DEPARTMENT OF MILITARY AFFAIRS

1988-89 \$ 880,300

1989-90 \$ 801,700

8. DEPARTMENT OF PERSONNEL

a. General Operations

1988-89 \$ 268,900

1989-90 \$ 68,700

b. Workers' Compensation Benefits and Reserve

1988-89 \$ 8,329,100

1989-90 \$ 8,545,200

The above appropriations represent estimates of the funds necessary to operate this program. In the event that additional funds are required to adequately maintain this program, it is the intent of the General Assembly that such necessary funds are hereby appropriated.

c. Public Employees Deferred Compensation System

1988-89 \$ 283,700

1989-90 \$ 292,100

9. DEPARTMENT OF LOCAL GOVERNMENT

1988-89 \$ 867,700

1989-90 \$ 760,000

10. COUNTY FEES

	1988-89	1989-90
Jefferson County	11,781,000	12,134,400
Kenton County	2,022,000	2,082,700
Campbell County	1,116,100	1,149,600
Fayette County	3,795,400	3,909,300
Daviess County	1,194,300	1,230,100
Pike County	1,347,700	1,388,100

County Fees for the following counties: Jefferson, Kenton, Fayette, Campbell, Daviess, and Pike are for paying the various officials of each county enumerated, seventy-five percent (75%) of the fees provided by law.

This is to be paid, by the State, to these officials when their claims for fees have been presented in the form and manner prescribed by law and approved by the Secretary of the Finance and Administration Cabinet. Each Fiscal Court of said counties are to receive twenty-five percent (25%) of said fees as required by KRS 64.350.

11. KENTUCKY RETIREMENT SYSTEMS

1988-89 \$ 2,960,700

1989-90 \$ 3,011,800

12. CAPITAL PLAZA

1988-89 \$ 1,771,900

1989-90 \$ 1,823,100

Included above is \$1,458,400 in fiscal year 1988-89 and \$1,463,200 in fiscal year 1989-90 for debt service payment of the Capital Plaza. Also included in the above appropriation is \$313,500 in fiscal year 1988-89 and \$359,900 in fiscal year 1989-90 for general operations.

13. OCCUPATIONAL AND PROFESSIONAL BOARDS AND COMMISSIONS

	1988-89	1989-90
a. Board of Accountancy	\$294,700	\$299,300
b. Board of Architects	83,700	85,300
c. Athletic Commission	97,500	100,000
d. Board of Auctioneers	127,000	128,900
e. Board of Barbers	114,800	116,300
f. Board of Chiropractic Examiners	47,100	48,700
g. Board of Dental Examiners	181,900	185,500
h. Board of Embalmers and Funeral Directors	102,000	103,300
i. Board of Engineers and Land Surveyors	301,700	307,700
j. Board of Hairdressers and Cosmetologists	409,800	416,900
k. Board of Hearing Aid Dealers	12,400	12,400
l. Board of Landscape Architecture	13,100	13,100
m. Board of Medical Licensure	620,700	623,100
n. Board of Nurses	959,200	979,200
o. Nursing Home Administrators Licensure Board	43,500	43,500
p. Board of Occupational Therapy	9,700	9,800
q. Board of Ophthalmic Dispensers	7,200	7,200
r. Board of Optometric Examiners	43,900	45,000
s. Board of Pharmacy	314,600	324,500
t. Board of Physical Therapy	64,500	66,100
u. Board of Podiatry	3,000	3,000

v. Board of Proprietary Education	83,300	85,900
w. Board of Psychology	42,200	42,200
x. Real Estate Commission		
1. Examination and Licensing	818,100	781,700
2. Real Estate Education Research and Recovery	600,800	569,000
y. Board of Social Workers	44,500	44,500
z. Board of Speech Pathologists and Audiologists	22,700	22,700
aa. Board of Veterinary Examiners	141,200	144,400

14. GOVERNMENTAL SERVICES CENTER

1988-89 \$ 881,600

1989-90 \$ 904,500

15. COMMISSION ON WOMEN

1988-89 \$ 1,000

1989-90 \$ 2,200

16. DEPARTMENT OF AGRICULTURE

1988-89 \$ 648,900

1989-90 \$ 652,900

B. COMMERCE

17. OFFICE OF THE SECRETARY

1988-89 \$ 194,600

1989-90 \$ 195,100

18. DEPARTMENT OF ECONOMIC DEVELOPMENT

1988-89 \$ 374,500

1989-90 \$ 369,900

19. KENTUCKY DEVELOPMENT FINANCE AUTHORITY

1988-89 \$ 503,900

1989-90 \$ 514,800

20. DEPARTMENT OF THE ARTS

1988-89 \$ 240,900

1989-90 \$ 250,800

21. TOBACCO RESEARCH BOARD

1988-89 \$ 12,900

1989-90 \$ 13,300

C. CORRECTIONS

22. CORRECTIONS CABINET

1988-89 \$ 9,316,600

1989-90 \$ 9,295,000

D. EDUCATION AND HUMANITIES

23. DEPARTMENT OF EDUCATION

a. General Administration

1988-89 \$ 2,015,000

1989-90 \$ 2,047,000

b. Education for Exceptional Children

1988-89 \$ 388,500

1989-90 \$ 353,300

c. Instruction

1988-89 \$ 97,700

1989-90 \$ 95,300

d. Local Services

1988-89 \$ -0-

1989-90 \$ -0-

e. Vocational Education

1988-89 \$ 22,923,800

1989-90 \$ 23,240,300

f. Vocational Rehabilitation

1988-89 \$ 601,600

1989-90 \$ 615,000

g. Administrative Services and Budget Management

1988-89 \$ 174,100

1989-90 \$ 117,700

24. KENTUCKY EDUCATIONAL TELEVISION

1988-89 \$ 168,000

1989-90 \$ 273,500

25. HISTORICAL SOCIETY

1988-89 \$ 380,400

1989-90 \$ 349,600

26. LIBRARY AND ARCHIVES

1988-89 \$ 720,100

1989-90 \$ 725,800

27. DEPARTMENT FOR THE BLIND

1988-89 \$ 1,947,900

1989-90 \$ 1,960,400

28. ORAL HISTORY COMMISSION

1988-89 \$ 200

1989-90 \$ -0-

29. HERITAGE COUNCIL

1988-89 \$ 500

1989-90 \$ 17,500

30. TEACHERS' RETIREMENT SYSTEM

1988-89 \$ 2,585,500

1989-90 \$ 2,663,100

E. ENERGY**31. KENTUCKY ENERGY CABINET**

1988-89 \$ 591,000

1989-90 \$ 586,900

F. FINANCE AND ADMINISTRATION**32. FINANCE AND ADMINISTRATION CABINET****a. General Administration**

1988-89 \$ 583,300

1989-90 \$ 610,800

Included in the above appropriation is \$87,400 in FY 1988-89 and \$91,400 in fiscal year 1989-90 for the operations of the Office of Internal Audit.

b. State Office for Social Security

1988-89 \$ 217,100

1989-90 \$ 216,500

c. Department of Administration

1988-89 \$ 8,236,300

1989-90 \$ 8,390,700

d. Department of Facilities Management

1988-89 \$ 22,521,900

1989-90 \$ 23,282,400

e. Department of Information Systems

1988-89 \$ 27,089,600

1989-90 \$ 27,803,800

G. HIGHER EDUCATION**33. KENTUCKY HIGHER EDUCATION ASSISTANCE AUTHORITY**

1988-89 \$ 6,045,400

1989-90 \$ 6,226,600

Included in the above appropriation is \$1,000,000 in fiscal year 1988-89 and \$1,000,000 in fiscal year 1989-90 for Teachers' Scholarships. Also included is \$50,000 in fiscal year 1988 and 1989 and fiscal year

1989-90 for Math/Science Scholarships.

Also included is \$250,000 in fiscal year 1988-89 and \$270,000 in fiscal year 1989-90 for the Kentucky Educational Savings Plan Trust.

34. EASTERN KENTUCKY UNIVERSITY

1988-89 \$ 38,989,600

1989-90 \$ 39,737,800

35. KENTUCKY STATE UNIVERSITY

1988-89 \$ 6,245,200

1989-90 \$ 6,490,300

36. MOREHEAD STATE UNIVERSITY

1988-89 \$ 20,782,500

1989-90 \$ 21,917,400

37. MURRAY STATE UNIVERSITY

1988-89 \$ 25,629,900

1989-90 \$ 27,206,500

38. NORTHERN KENTUCKY UNIVERSITY

1988-89 \$ 17,639,400

1989-90 \$ 17,924,100

39. UNIVERSITY OF KENTUCKY

1988-89 \$ 285,703,900

1989-90 \$ 295,915,200

40. UNIVERSITY OF LOUISVILLE

1988-89 \$ 110,097,300

1989-90 \$ 111,986,400

41. WESTERN KENTUCKY UNIVERSITY

1988-89 \$ 34,084,700

1989-90 \$ 37,073,500

H. HUMAN RESOURCES**12. CABINET FOR HUMAN RESOURCES****a. Department for Social Insurance****1. Administration**

1988-89 \$ 10,948,900

1989-90 \$ 11,437,100

2. Benefits

1988-89 \$ 6,182,000

1989-90 \$ 6,314,000

b. Department for Medicaid Services**1. Benefits**

1988-89 \$ 2,500,000

1989-90 \$ 2,500,000

c. Department for Employment Services

1988-89 \$ 7,831,300

1989-90 \$ 7,363,200

d. Department for Health Services

1988-89 \$ 8,103,300

1989-90 \$ 7,911,600

e. Department for Mental Health/Mental Retardation

1988-89 \$ 43,613,800

1989-90 \$ 44,967,500

f. Department for Social Services

1988-89 \$ 2,238,300

1989-90 \$ 2,197,500

g. Administration and Program Support

1988-89 \$ 6,364,600

1989-90 \$ 6,315,900

Notwithstanding other provisions to the contrary, the Secretary is directed to promulgate such administrative regulations as may be required to prescribe user fee amounts which are provided in the applicable agency fund appropriations.

h. Commission for Handicapped Children

1988-89 \$ 664,100

1989-90 \$ 684,100

i. Commission for Health Economics in Kentucky

1988-89 \$ 149,100

1989-90 \$ 120,000

I. JUSTICE

13. JUSTICE CABINET

a. Criminal Justice Training

1988-89 \$ 10,820,300

1989-90 \$ 11,008,600

Under the provisions of the Kentucky Law Enforcement Foundation Program Fund, an eligible local unit of government shall be entitled to receive a supplement to each qualified police officer's annual base salary from the Law Enforcement Foundation Program Fund, to be paid to each officer in addition to his regular salary as prescribed by KRS 15.460 and KRS 15.500. Included in the above appropriation is \$8,300,000 in fiscal year 1988-89 and \$8,400,000 in fiscal year 1989-90 for training incentive payments pursuant to KRS 15.430, from receipts pursuant to KRS 136.392. It is the intent of the 1988 General Assembly that in the event funds appropriated from the Kentucky Law Enforcement Foundation Program Fund (KLEFPF) for training incentive payments are not sufficient to ensure each participant a training incentive payment which is at least \$2,500, the General Assembly hereby directs that any amounts available to KLEFPF be utilized to ensure such payment.

Also included in the above appropriation is \$2,520,300 in fiscal year 1989 and \$2,608,600 in fiscal year 1990 for the cost of operating the Department of Criminal Justice Training, for the operation of the Kentucky Law Enforcement Council Program and the administration of the Kentucky Law Enforcement Foundation Program Fund. Any provisions to the contrary codified in KRS 15.430-510 or KRS 42.190 are hereby suspended.

b. Department of State Police

1988-89 \$ 1,628,400

1989-90 \$ 1,677,200

c. Justice Administration

1988-89 \$ 1,027,400

1989-90 \$ 960,900

J. LABOR

44. LABOR CABINET

a. General Administration and Support

1988-89 \$ 3,848,800

1989-90 \$ 3,958,000

b. Department of Workplace Standards

1988-89 \$ 76,393,900

1989-90 \$ 78,563,200

c. Department of Workers' Claims

1987-88 \$ 402,000

1988-89 \$ 5,823,000

1989-90 \$ 5,500,100

(1) The commissioner of the department of workers' claims shall be paid a salary not to exceed the salary of an administrative law judge as provided in KRS Chapter 342.

(2) The labor cabinet shall report monthly to the committee on appropriations and revenue its monthly expenditures of restricted agency funds and the nature of such expenditures. Separate reporting shall be done by each department within the labor cabinet and for general administration and support.

K. NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION

45. NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION CABINET

a. Department for Natural Resources

1988-89 \$ 7,360,800

1989-90 \$ 7,566,200

b. Department for Environmental Protection

1988-89 \$ 1,275,900

1989-90 \$ 1,632,300

c. Department for Surface Mining Reclamation and Enforcement

1988-89 \$ 156,900

1989-90 \$ 160,800

d. General Administration and Support

1988-89 \$ 80,900

1989-90 \$ 16,600

46. KENTUCKY NATURE PRESERVES COMMISSION

1988-89 \$ 150,000

1989-90 \$ 150,000

L. PUBLIC PROTECTION AND REGULATION

47. DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL

1988-89 \$ 3,500

1989-90 \$ 3,500

48. DEPARTMENT OF FINANCIAL INSTITUTIONS

1988-89 \$ 3,595,300

1989-90 \$ 3,969,500

49. BOARD OF CLAIMS/CRIME VICTIMS' COMPENSATION

1988-89 \$ 755,600

1989-90 \$ 656,500

50. DEPARTMENT OF HOUSING, BUILDINGS, AND CONSTRUCTION

1988-89 \$ 12,474,400

1989-90 \$ 12,797,300

51. DEPARTMENT OF INSURANCE

1988-89 \$ 4,940,000

1989-90 \$ 5,018,900

52. KENTUCKY STATE RACING COMMISSION

1988-89 \$ 4,209,000

1989-90 \$ 4,313,900

Included in the above appropriation is \$511,600 in fiscal year 1988-89 and \$553,300 in fiscal year 1989-90 for the Backside Improvement Commission.

53. KENTUCKY HARNESS RACING COMMISSION

1988-89 \$ 1,298,900

1989-90 \$ 1,332,900

54. DEPARTMENT OF MINES AND MINERALS

1988-89 \$ 647,800

1989-90 \$ 647,800

55. DEPARTMENT OF PUBLIC ADVOCACY

1988-89 \$ 205,000

1989-90 \$ 210,000

56. PUBLIC SERVICE COMMISSION

1988-89 \$ 57,000

1989-90 \$ 37,000

M. REVENUE

57. REVENUE CABINET

a. General Administration and Support

1988-89 \$ 20,000

1989-90 \$ 20,000

General Administration and Support is comprised of the Office of the Secretary and the Department of Professional and Support Services.

b. Property Valuation Administrators

1988-89 \$ 1,868,300

1989-90 \$ 2,564,400

c. Department of Processing and Enforcement

1988-89 \$ 614,900

1989-90 \$ 633,300

d. Department of Property Taxation

1988-89 \$ 966,100

1989-90 \$ 1,039,900

58. KENTUCKY WORKERS' COMPENSATION FUNDING COMMISSION

1987-88 \$ 49,080,400

1988-89 \$ 85,818,900

1989-90 \$ 90,838,700

(1) The board of directors of the Kentucky workers' compensation funding commission are hereby determined to be officers and agents of the Commonwealth of Kentucky and, as such, shall enjoy the same immunities from suit for the performance of their official acts as do other officers of the Commonwealth of Kentucky.

(2) The Kentucky workers' compensation funding commission shall report monthly to the committee on appropriations and revenue its monthly expenditures of restricted agency funds and the nature of such expenditures.

N. TOURISM

59. DEPARTMENT OF PARKS

1988-89 \$ 31,023,600

1989-90 \$ 32,195,800

Included in the above appropriation is \$727,000 in fiscal year 1988-89 and \$829,000 in fiscal year 1989-90 for the debt service on revenue bonds issued for Project 14 and Project 16 issued in 1965 and 1967, respectively.

60. KENTUCKY HORSE PARK

1988-89 \$ 3,226,100

1989-90 \$ 3,333,100

61. KENTUCKY STATE FAIR BOARD

1988-89 \$ 14,811,500

1989-90 \$ 15,080,500

62. FISH AND WILDLIFE RESOURCES

1988-89 \$ 14,862,200

1989-90 \$ 15,327,700

Given the financial condition of the Commonwealth and in order to promote orderly long term planning, the General Assembly directs that no funds in the accounts of the Department of Fish and Wildlife may be transferred by Executive Order during the 1988-90 fiscal biennium.

O. TRANSPORTATION

63. TRANSPORTATION CABINET

a. Air Transportation

1988-89 \$ 219,800

1989-90 \$ 219,800

b. Public Transportation

1988-89 \$ 369,100

1989-90 \$ 370,700

c. Vehicle Regulation

1988-89 \$ 530,500

1989-90 \$ 546,400

PART III

FEDERAL FUNDS

There is appropriated to the various officers, cabinets, departments, boards, commissions, institutions, subdivisions, and other agencies of the State Government only as are listed herein for the fiscal year ending June 30, 1989, and for the fiscal year ending June 30, 1990, Federal subventions, grants, contracts and other Federal Funds received, income from investments and other miscellaneous Federal receipts received by any of the following agencies of the State Government, except as otherwise specifically provided, for the use and benefit of each of the below-named agencies of the State Government for the purposes for which each fund is authorized. Receipts which are received by each of the respective agencies of the State Government listed herein shall be placed to the credit of a Federal Fund out of which shall be established separate accounts for the use and benefit of these agencies of the State Government for purposes for which each fund is authorized. All Funds received shall be deposited in the State Treasury and credited to the proper account as provided by KRS Chapters 12, 42, 45, and 48.

If receipts received and credited to any Federal Fund account during fiscal year 1988-89 or fiscal year 1989-90, and any balance forwarded to the credit of any such account from the previous fiscal year, exceed, by the sum of five percent (5%), the appropriation made by specific sum to said account for the fiscal year in which the excess occurs, said excess shall become available for expenditure for the purpose of the account during said year only with the authorization of the State Budget Director of the Governor's Office for Policy and Management upon approval of the Secretary of the Finance and Administration Cabinet; provided, however, that institutions of higher education may receive and expend all Federal Funds without limitation.

Except as herein otherwise provided, the appropriate agency may requisition for expenditure from the Federal Fund account, through the Finance and Administration Cabinet, during the fiscal year ending June 30, 1989, and during the fiscal year June 30, 1990, all receipts placed to the credit of the Federal Fund for such year, out of which has been established a Federal Fund account for each separate agency during such fiscal year, in addition to any balance which said agency may have had forwarded from the preceding year on or before August 31, of the then current fiscal year, by the Finance and Administration Cabinet. On or before the beginning of each fiscal year, each agency, other than institutions of higher education, shall submit to the Finance and Administration Cabinet and the Legislative Research Commission schedules for each budget unit showing estimated receipts and estimated expenditures for the ensuing fiscal year, a comparison of any revised estimates with the amounts provided in the Executive Budget as adopted by the 1988 General Assembly, and statements which explain the occurrence of such variances.

If a budget unit not listed herein receives unanticipated monies, the Secretary of the Finance and Administration Cabinet, upon written request from the agency head with appropriate documentation of the amount, source, purpose, necessity and use of such monies, may authorize, upon recommendation of the Governor's Office for Policy and Management the credit and expenditure of such funds for statutory purposes. The Secretary of the Finance and Administration Cabinet shall cause to be established a restricted account for the receipt and disbursement of such funds and shall establish the maximum sum which may be credited and expended from the authorized account. The Secretary of the Finance and Administration Cabinet, in consultation with the Interim Joint Committee on Appropriations and Revenue, shall provide appropriate notice pursuant to this event to the Legislative Research Commission.

No state agency which shall be entitled to receive federal funds which would represent one hundred percent (100%) of the cost of a program in which the state participates shall decline to accept or receive such entitlement without notification to the Interim Joint Committee on Appropriations and Revenue of the Legislative Research Commission.

A. GOVERNMENT OPERATIONS**1. DEPARTMENT OF LAW**

1988-89 \$ 1,355,900

1989-90 \$ 1,369,900

2. COMMONWEALTH'S ATTORNEY

1988-89 \$ 1,000

1989-90 \$ 2,000

3. DEPARTMENT OF AGRICULTURE

1988-89 \$ 1,798,100

1989-90 \$ 1,389,400

4. DEPARTMENT OF MILITARY AFFAIRS

1988-89 \$ 3,081,900

1989-90 \$ 3,175,300

5. DEPARTMENT OF LOCAL GOVERNMENT

1988-89 \$ 26,098,100

1989-90 \$ 25,558,100

6. DEPARTMENT OF PERSONNEL

1988-89 \$ 724,600

1989-90 \$ 691,300

7. HUMAN RIGHTS COMMISSION

1988-89 \$ 57,300

1989-90 \$ 63,100

B. COMMERCE**8. OFFICE OF THE SECRETARY**

1988-89 \$ 163,200

9. DEPARTMENT OF THE ARTS

1988-89 \$ 640,900

1989-90 \$ 643,200

C. CORRECTIONS

10. CORRECTIONS CABINET

1988-89 \$ 320,300

1989-90 \$ 320,300

D. EDUCATION AND HUMANITIES

11. DEPARTMENT OF EDUCATION

a. General Administration

1988-89 \$ 90,400,900

1989-90 \$ 90,379,500

b. Education for Exceptional Children

1988-89 \$ 28,218,300

1989-90 \$ 25,623,400

c. Instruction

1988-89 \$ 83,990,300

1989-90 \$ 85,635,000

d. Vocational Education

1988-89 \$ 20,324,800

1989-90 \$ 20,609,400

e. Vocational Rehabilitation

1988-89 \$ 23,626,000

1989-90 \$ 23,983,700

f. Administrative Services and Budget Management

1988-89 \$ 647,100

1989-90 \$ 1,424,300

12. OFFICE OF THE SECRETARY

1988-89 \$ 100,700

1989-90 \$ 103,700

13. LIBRARIES AND ARCHIVES

1988-89 \$ 2,260,000

1989-90 \$ 1,906,000

14. KENTUCKY EDUCATIONAL TELEVISION

1988-89 \$ 18,000

1989-90 \$ 18,000

15. DEPARTMENT FOR THE BLIND

1988-89 \$ 4,180,400

1989-90 \$ 4,207,300

16. GOVERNOR'S COUNCIL ON VOCATIONAL EDUCATION

1988-89 \$ 129,300

1989-90 \$ 134,000

17. HERITAGE COUNCIL

1988-89 \$ 540,100

1989-90 \$ 542,500

E. ENERGY

18. KENTUCKY ENERGY CABINET

1988-89 \$ 450,800

1989-90 \$ 378,700

F. HIGHER EDUCATION

19. HIGHER EDUCATION ASSISTANCE AUTHORITY

1988-89 \$ 1,179,000

1989-90 \$ 1,179,000

20. COUNCIL ON HIGHER EDUCATION

1988-89 \$ 350,000

1989-90 \$ 350,000

21. EASTERN KENTUCKY UNIVERSITY

1988-89 \$ 7,611,800

1989-90 \$ 7,671,100

22. KENTUCKY STATE UNIVERSITY

1988-89 \$ 6,247,600

1989-90 \$ 6,451,900

23. MOREHEAD STATE UNIVERSITY

1988-89 \$ 3,622,100

1989-90 \$ 3,622,100

24. MURRAY STATE UNIVERSITY

1988-89 \$ 4,174,100

1989-90 \$ 4,174,100

25. NORTHERN KENTUCKY UNIVERSITY

1988-89 \$ 1,665,900

1989-90 \$ 1,665,900

26. UNIVERSITY OF KENTUCKY

1988-89 \$ 48,946,200

1989-90 \$ 50,981,200

27. UNIVERSITY OF LOUISVILLE

1988-89 \$ 13,232,300

1989-90 \$ 13,232,300

28. WESTERN KENTUCKY UNIVERSITY

1988-89 \$ 5,281,900

1989-90 \$ 5,281,900

G. HUMAN RESOURCES

29. CABINET FOR HUMAN RESOURCES

a. Department for Social Insurance

1. Administration

1988-89 \$ 55,295,400

1989-90 \$ 52,831,000

2. Benefits

1988-89 \$ 139,455,200

1989-90 \$ 145,887,000

b. Department for Medicaid Services

1. Administration

1988-89 \$ 15,859,500

1989-90 \$ 15,871,200

2. Benefits

1988-89 \$ 568,186,100

1989-90 \$ 627,456,600

c. Department for Employment Services

1. Administration - Unemployment Insurance

1988-89 \$ 16,829,800

1989-90 \$ 17,596,700

2. Benefits - Unemployment

1988-89 \$ 156,600,000

1989-90 \$ 162,300,000

3. Employment Services

1988-89 \$ 79,956,500

1989-90 \$ 82,753,500

d. Department for Health Services

1988-89 \$ 69,439,500

1989-90 \$ 70,831,900

e. Department for Mental Health/Mental Retardation Services

1988-89 \$ 10,964,300

1989-90 \$ 11,279,600

f. Department for Social Services

1988-89 \$ 74,414,500

1989-90 \$ 74,028,800

g. Administration and Program Support

1988-89 \$ 14,462,500

1989-90 \$ 14,486,000

h. Commission for Handicapped Children

1988-89 \$ 3,237,800

1989-90 \$ 3,237,800

H. JUSTICE

30. JUSTICE CABINET

a. Justice Administration

1988-89 \$ 4,377,500

1989-90 \$ 3,471,500

b. Department of State Police

1988-89 \$ 4,940,500

1989-90 \$ 4,688,500

I. LABOR

31. LABOR CABINET

a. Department of Workplace Standards

1988-89 \$ 4,055,500

1989-90 \$ 4,133,100

b. Kentucky Occupational Safety and Health Review Commission

1988-89 \$ 316,000

1989-90 \$ 323,800

J. NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION**32. NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION CABINET****a. Department for Natural Resources**

1988-89 \$ 4,669,300

1989-90 \$ 4,596,500

b. Department for Environmental Protection

1988-89 \$ 6,707,700

1989-90 \$ 6,852,400

c. Department for Surface Mining Reclamation and Enforcement

1988-89 \$ 12,372,600

1989-90 \$ 12,274,600

d. General Administration and Support

1988-89 \$ 1,797,000

1989-90 \$ 1,839,000

e. Kentucky Nature Preserves Commission

1988-89 \$ 41,600

1989-90 \$ 37,700

K. PUBLIC PROTECTION AND REGULATION**33. DEPARTMENT OF MINES AND MINERALS**

1988-89 \$ 530,000

1989-90 \$ 530,000

34. DEPARTMENT OF PUBLIC ADVOCACY

1988-89 \$ 463,400

1989-90 \$ 460,100

35. PUBLIC SERVICE COMMISSION

1988-89 \$ 157,100

1989-90 \$ 162,800

36. DEPARTMENT OF INSURANCE

1988-89 \$ 241,600

1989-90 \$ 276,700

37. BOARD OF CLAIMS/CRIME VICTIMS' COMPENSATION

1988-89 \$ 300,000

1989-90 \$ 300,000

38. DEPARTMENT OF HOUSING, BUILDINGS, AND CONSTRUCTION

1988-89 \$ 10,300

1989-90 \$ 10,600

L. TRANSPORTATION

39. TRANSPORTATION CABINET

a. Air Transportation

1988-89 \$ 12,700

1989-90 \$ 13,000

b. Rail Transportation

1988-89 \$ 50,000

1989-90 \$ 50,000

c. Public Transportation

1988-89 \$ 2,500,000

1989-90 \$ 2,500,000

d. Vehicle Regulation

1988-89 \$ 1,089,100

1989-90 \$ 1,121,800

e. Highways

1988-89 \$ 216,378,000

1989-90 \$ 229,394,700

If federal receipts due to the Commonwealth are in excess of the above appropriations, such funds are hereby appropriated.

PART IV
ROAD FUND

KRS 48.010(13)(g) provides that the Road Fund shall consist of money derived from excise or license taxation relating to gasoline and other motor fuels, and monies derived from fees, excise or license taxation relating to registration, operation or use of vehicles for use on public highways.

The following monies are appropriated from the Road Fund:

A. JUSTICE

1. JUSTICE CABINET

a. Department of State Police

1988-89 \$ 35,000,000

1989-90 \$ 35,000,000

It is the intent of the General Assembly that the above appropriations be expended solely for the enforcement of state traffic and motor vehicle laws.

B. TRANSPORTATION

2. TRANSPORTATION CABINET

a. General Administration and Support

1988-89 \$ 45,453,000

1989-90 \$ 47,223,000

b. Vehicle Regulation

1988-89 \$ 13,901,600

1989-90 \$ 14,346,000

c. Highways

1988-89 \$ 502,331,500

1989-90 \$ 526,471,000

1. Included within the above appropriation is \$27,484,300 in fiscal year 1988-89 and \$30,746,100 in fiscal year 1989-90 for State Construction projects. The Secretary of Transportation may use State Construction appropriations for emergencies which occur on county roads, e.g., bridge failures, severe snow and ice, slips and slides.

2. Included within the above appropriation is \$18,445,400 in fiscal year 1988-89 and \$24,200,900 in fiscal year 1989-90 for State Resurfacing projects.

3. Included within the above appropriation is \$31,804,500 in fiscal year 1988-89 and \$31,954,900 in fiscal year 1989-90 for Toll Road lease rental payments.

The General Assembly hereby directs the Finance and Administration Cabinet to use the amount necessary from the balance of the Debt Payment Acceleration Account Fund to retire the bonds on the Bluegrass Parkway. This retirement shall be done in fiscal year 1988-89 and prior to the date of the first lease-rental payment due on said bonds.

4. Included within the above appropriation is \$18,335,700 in fiscal year 1988-89 and \$18,359,900 in fiscal year 1989-90 for debt service on general obligation highway bonds.

5. Included within the above appropriation is \$42,765,100 in fiscal year 1988-89 and \$42,761,300 in fiscal year 1989-90 for Resource Recovery Road lease rental payments. It is the intent of the General Assembly that the Secretary of Transportation shall use Road Fund resources to meet the lease rental payments to the Kentucky Turnpike Authority for Resource Recovery Road projects in the amount certified by the Transportation Cabinet, pursuant to KRS 143.090. However, in the event that Road Fund resources are not sufficient to meet lease rental payments, the additional amount required to meet the obligation shall be transferred from the proceeds of the tax levied on the severance or processing of coal by KRS 143.020.

6. Included within the above appropriation is \$35,208,200 in fiscal year 1988-89 and \$35,206,500 in fiscal year 1989-90 for Economic Development Road lease rental payments.

7. Included within the above appropriation is \$57,544,700 in fiscal year 1988-89 and \$58,836,700 in fiscal year 1989-90 for the County Road Aid program.

8. Included within the above appropriation is \$69,818,000 in fiscal year 1988-89 and \$71,385,400 in fiscal year 1989-90 for the Rural Secondary program.

9. Included within the above appropriation is \$24,211,800 in fiscal year 1988-89 and \$24,755,400 in fiscal year 1989-90 for the Municipal Aid program.

10. Included within the above appropriation is \$900,000 in fiscal year 1988-89 and \$900,000 in fiscal year 1989-90 for the Energy Recovery Road Fund.

11. Included in the above appropriation is \$190,000 in fiscal year 1988-89 and \$190,000 in fiscal year 1989-90 for the Kentucky Transportation Center.

12. Included within the above appropriation is \$11,100,000 in fiscal year 1988-89 and \$11,300,000 in fiscal year 1989-90 for the Debt Payment Acceleration Fund Account, to accelerate the payment of debt service including principal and interest, over and above the annual debt service payments appropriated for each fiscal year, for all bonds issued and any refinancing thereof by the Kentucky Turnpike Authority.

It is the intent of the General Assembly that any unexpended balance remaining at the close of the 1987-88 fiscal year in the Snow and Ice Removal Reserve Fund, as established by the 1986 General Assembly, shall be appropriated in fiscal year 1988-89 for the same purpose. The appropriation to this Reserve Fund shall be deposited in an interest bearing account and all interest income shall accrue back to this Reserve Fund.

No funds shall be expended from the Snow and Ice Removal Reserve Fund until the Transportation Cabinet's cumulative snow and ice removal expenditures, in any fiscal year of the 1988-90 biennium exceed \$6,700,000. In the event that the provision is implemented, the Transportation Cabinet shall certify to the Appropriations and Revenue Committee and the Transportation Committee the documented need and usage of this fund.

Any unexpended balance remaining in the Snow and Ice Removal Reserve Fund at the close of the 1988-89 fiscal year shall not lapse, but shall continue into fiscal year 1989-90.

TOTAL - EXECUTIVE DEPARTMENT OF STATE GOVERNMENT

1988-89 \$ 596,686,100

1989-90 \$ 623,040,000

Included in the above amounts are \$853,700 in fiscal year 1988-89 and \$1,291,100 in fiscal year 1989-90 for capital projects directly funded in Part V of this Act.

ROAD FUND BUDGET REDUCTION PLAN

Pursuant to KRS 48.130, there is hereby established a Road Fund Budget Reduction Plan for fiscal year 1986-87 and fiscal year 1987-88.

In the event of an actual or estimated deficit in Road Fund receipts in fiscal year 1988-89 and in fiscal year 1989-90, the Governor shall implement sufficient reductions as may be required.

PART V

CAPITAL CONSTRUCTION FUND

Monies in the Capital Construction Fund are appropriated for the following capital projects. Items listed without appropriated amounts are previously authorized for which no additional amount is required. These items are listed in order to continue their current authorization into the 1988-90 biennium:

A. COMMERCE

	1988-89	1989-90
1. Office of the Secretary Economic Development Projects		
Bond Fund	23,000,000	23,000,000

B. CORRECTIONS

1. Morgan County Facility - Expansion of Medium Security Institution		
Bond Fund	\$27,979,200	
2. Kentucky State Reformatory - Construction of Dormitory 13/Demolition of Dormitory 3		
Bond Fund		\$3,475,600
3. Kentucky Correctional Institution for Women - Facility Upgrade		
Bond Fund (1987-88 \$2,362,100)		
4. Roederer Farm Center - Conversion of Existing Facility to a Medium Security Facility		
Bond Fund	953,600	
5. Roederer Farm Center - New Minimum Security Unit		
Bond Fund	4,275,200	
6. Miscellaneous Maintenance Projects		
Investment Income	500,000	500,000
7. Kentucky State Reformatory - Construction of Dormitory 12		

- 8. Kentucky State Penitentiary - Sewage and Water Plant Upgrade
- 9. Blackburn Correctional Complex - Electrical System Upgrade
- 10. Northpoint Training Center - Electrical Distribution System Replacement
- 11. Luther Luckett Correctional Complex - 6 Double wide Trailers

General Fund

222,000

C. EDUCATION AND HUMANITIES

1. Department of Education

a. Bowling Green Advanced Technology Center

Bond Funds

\$2,313,700

b. Bowling Green Truck Driving Program

Agency Fund

300,000

c. Hazard State Vocational School - Continuous Miner

Agency Fund

150,000

d. Hazard State Vocational School - Tractor

Agency Fund

200,000

e. Hazard State Vocational School - End Loader

Agency Fund

175,000

2. School Facilities Construction Commission

a. School Facilities Construction Commission

Bond Fund

\$80,000.000

D. ENERGY

1. Administration Building Transformer Replacement

General Fund

\$130,000

2. Micronizer/Pulverizer

General Fund

\$65,000

3. Advanced Coal Combuster

General Fund

140,000

4. Laser Doppler Velocimeter

General Fund 90,000

5. Instrumentation and Control System

Federal Fund 70,000

6. Pressurized TGA/DSC

Federal Fund 125,000

7. Ventilation System

General Fund

E. FINANCE AND ADMINISTRATION

1. Department for Facilities Management

a. Emergency Repair, Maintenance and Replacement Fund

Investment Income \$2,650,000 \$4,050,000

b. Capital Construction and Equipment Purchase Contingency Fund

Investment Income 1,150,000 1,150,000

c. Capitol and Capitol Annex Mechanical Renovation

Bond Fund 3,000,000

d. Kentucky Community Public Works Program

Bond Fund 25,000,000

e. Miscellaneous Projects

Investment Income 500,000 500,000

C. Centralized Laboratory Building - Final Design and Site Acquisition

Bond Fund 2,500,000

2. Department of Information Systems

For the major equipment purchases displayed in this section as agency fund supported projects, it is anticipated that these funds shall be transferred from the operating fund at such time as funds are available and needed. The total project cost shown does not reflect an addition to the operating fund appropriation.

a. Processor Upgrade

Agency Fund 2,000,000

b. Processor Upgrade

Agency Fund	6,000,000	
c. 9 Disk Drives @ \$125,000 each		
Agency Fund	625,000	500,000
d. 2 Disk Storage/Control Devices @ \$150,000 each		
Agency Fund	300,000	
e. 9 Disk Drives @ \$75,000 each		
Agency Fund	450,000	225,000
f. 2 Cache Disk Controllers @ \$325,000 each		
Agency Fund	650,000	
g. Telecommunication Controller		
Agency Fund	225,000	
h. Processor Replacement		
Agency Fund		7,750,000
i. 2 Magnetic Tape Controllers @ \$96,000 each		
Agency Fund		192,000
j. 8 Magnetic Tape Drives @ \$56,000 each		
Agency Fund		448,000
k. 2 Cache Disk Controller Upgrades @ \$120,000 each		
Agency Fund	240,000	
l. Laser Printer Upgrade		
Agency Fund	100,000	
m. Microfiche Processor		
Agency Fund	150,000	

F. GOVERNMENT OPERATIONS**1. Department of Agriculture****a. Infra-red Spectrometer Mobil Unit**

General Fund	\$160,000	\$ 80,000
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2. Department of Military Affairs,

a. Major Maintenance and Repairs

Investment Income	750,000	750,000
Federal Fund	<u>882,000</u>	<u>318,600</u>
Total	1,632,000	1,068,600

b. Helicopter Repair/Replacement Components

Investment Income	350,000	50,000
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c. Communications System

General Fund	446,700
Federal Fund	<u>498,000</u>
Total	944,700

d. Army Aviation Support Facility Addition

General Fund	1,630,200
Federal Fund	<u>12,357,400</u>
Total	13,987,600

G. HIGHER EDUCATION

For the major equipment purchases and capital construction projects displayed in this section as agency fund supported projects, it is anticipated that the funds shall be transferred from the operating fund of each university at such time as funds are available and needed. The total project costs shown do not reflect additions to the operating fund appropriations.

1. Eastern Kentucky University

a. PCB Control

Bond Fund	\$2,000,000
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b. Roark Building Improvements

Agency Fund	3,500,000
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c. University Building Improvements

Agency Fund	365,000
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d. Memorial Science Phase II

Agency Fund (FY 1987-88, \$500,000)	
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e. Minor Projects

Agency Fund	3,000,000	\$3,000,000
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f. Energy Management System

Agency Fund		
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g. Pedestrian Overpass

Agency Fund		
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h. Property Acquisition

Agency Fund		
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2. Kentucky State University

a. Student Center Fire Protection

Bond Fund	100,000	
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b. Hathaway Hall Masonry Repairs

Agency Fund	125,000	
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c. Carroll Academic Services Building - Concrete Repairs

Agency Fund	125,000	
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d. Carroll Academic Services Building Water Damage Repairs

Agency Fund	100,000	
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e. Jordon Heating Plant System Renovation

Agency Fund	200,000	
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f. Bradford Hall HVAC Renovation

Agency Fund	1,596,000	
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g. Roads/Walkways/Landscaping

Agency Fund (1987-88—400,000)		
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h. Library Furnishings

Agency Fund (1987-88—500,000)		
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i. Cooperative Extension Program Facility

Federal Funds	2,485,000	
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3. Morehead State University

a. Utility and Electrical Distribution System Renovation, Phase I

Bond Fund	4,989,000	
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b. Fire Safety Projects

Bond Fund	192,000	
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c. Asbestos Abatement

Bond Fund	486,000	
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d. Roof Repairs/Replacement

Agency Fund	464,000	464,000
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e. Button Auditorium Exterior Repair

Agency Fund	270,000	
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f. Elevator Repairs

Agency Fund	138,000	
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g. HVAC Repairs/Replacement

Agency Fund	1,535,000	1,535,000
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h. Handicapped Accessibility

Agency Fund	285,000	285,000
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i. Fields Hall Renovation

Bond Fund (debt service supported by agency funds)	3,080,000	
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j. Thompson Hall Renovation

Bond Fund (debt service supported by agency funds)	3,080,000	
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k. Lappin Hall Renovation

Agency Fund		3,920,000
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l. Warehouse Facility Phase I and II

Agency Fund	500,000	200,000
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m. Wetherby Gymnasium Renovation

Agency Fund		300,000
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1. Murray State University

a. Asbestos/PCB Removal

Agency Fund	300,000	
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Bond Fund	<u>1,660,000</u>	
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Total	1,960,000	
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b. Roof Repairs/Replacement

Agency Fund	741,000	
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c. Steam Condensate Lines Replacement

Agency Fund	500,000	
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d. Lovett Auditorium Improvements

Agency Fund	3,700,000	
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e. Fine Arts Building Renovation

Agency Fund		2,000,000
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f. Art Laboratory

Agency Fund	400,000	
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g. Carr Health Renovation

Agency Fund	500,000	
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h. Pedestrian Walkway

Agency Fund		300,000
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i. Miscellaneous Housing Projects

Agency Fund	484,000	518,000
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j. BSA Museum Renovation, Phase III

Agency Fund (FY 1987-88, \$3,700,000)		
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5. Northern Kentucky University

a. Science Building Roof Replacement

Agency Fund	144,000	
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b. University Center, Water Drainage

Agency Fund	1,386,000	
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c. Campus Entrance Improvement Project

Agency Fund	90,000	1,140,000
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d. Property Acquisition

Agency Fund	661,000	
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e. Baseball Field Completion

Agency Fund	35,000	357,000
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f. Interfaith Center

Agency Fund	75,000	875,000
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g. Parking Structure

Bond Fund (debt service supported by agency funds)	250,000	3,700,000
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h. Communications Network

Agency Fund		
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6. University of Kentucky - Main Campus

a. Asbestos/PCB Removal

Bond Fund	200,000	
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b. Renovate Fume Hoods - Agricultural Science North

Bond Fund	259,000	
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c. Renovate Fume Hoods - Research #3 and Medical Center

Bond Fund	1,720,000	
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d. Cooling Plant #1 Quadrant and Four Chillers

Agency Fund	4,250,000	2,000,000
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e. Cooling Plant #2 Quadrant and Two Chillers

Agency Fund	4,250,000	1,000,000
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f. Electric Substation #2 Expansion

Agency Fund	250,000	
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g. Central Heating Plant #2 - Boiler Controls

Agency Fund	324,000	
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h. Cooling Plant #3 - Chiller Replacement

Agency Fund	250,000	900,000
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i. Chilled Water Lines

Agency Fund	500,000	2,250,000
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j. Resurfacing of Parking Lots - University Drive

Agency Fund		280,000
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k. Chilled Water Lines Connecting Cooling Plant #1 and Cooling Plant #2

Agency Fund	400,000	
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l. Steam Lines Expansion, Rose Street

Agency Fund	500,000	
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m. Dental Clinic Renovation Phase I

Agency Fund	596,000	
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n. Business and Economics Building Addition Renovation

Bond Fund	8,075,000*	
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*Project authorization in first year but bond sale not allowed until after January 1, 1989 due to timing of debt service payment and the related General Fund appropriation.

o. Fine Arts Building Renovation

Agency Fund	1,600,000	600,000
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p. Pharmacy Incubation Facility, Phase I

Agency Fund	4,000,000	
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q. Agriculture Plant Science Building

Agency Fund	8,701,000	
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r. Magnetic Resonance Imaging and Spectroscopy Center (MRISC) II and III

Agency Fund	6,000,000	
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s. Office Space, Phase I and II

Agency Fund	4,050,000	875,000
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t. Morgue Renovation		
Agency Fund	300,000	
u. Enclose Annex II/Connector		
Agency Fund	1,300,000	
v. Student Center Roof Replacement		
Agency Fund	440,000	
w. Cooperstown Fire Alarm System		
Agency Fund	300,000	
x. Cooperstown Building "A" Repair		
Agency Fund	250,000	
y. Renovate Rooms 001, 004 Pharmacy		
Agency Fund	200,000	
z. Donovan Hall Air Conditioning		
Agency Fund	1,279,000	
aa. Athletic Administrative Offices		
Agency Fund	1,353,000	
bb. Indoor Athletics Practice Facility		
Agency Fund	2,585,000	
cc. Horticulture Field Lab		
Agency Fund	400,000	
dd. Placement Services Building		
Agency Fund	2,000,000	
ee. Veterinary Science Clinical Facility		
Agency Fund	6,915,000	
ff. Pesticide Storage/Preparation Building - Fayette County		
Agency Fund		340,000
gg. Pesticide Storage/Preparation Building - Caldwell County		

Agency Fund	340,000
hh. Patterson Tower Elevators	
Agency Fund	311,000
ii. Funkhouser Window Replacement	
Agency Fund	336,000
jj. Classroom Building Roof Replacement	
Agency Fund	292,000
kk. Taylor Education Building Roof Replacement	
Agency Fund	301,000
ll. Reynolds #1 Roof Replacement	
Agency Fund	329,000
mm. Memorial Coliseum Roof Replacement	
Agency Fund	302,000
nn. Chemistry/Physics Roof Replacement	
Agency Fund	361,000
oo. Renovate Dental Technique Lab	
Agency Fund	306,000
pp. Plant Breeding/Genetics Building	
Agency Fund	750,000
qq. Biotechnology Center (Slone Building)	
Agency Fund	2,500,000
rr. Research Lab Space Recovery	
Agency Fund	1,200,000
ss. Multi-purpose Arena Building	
Agency Fund	1,000,000
tt. Stadium Expansion and Parking Deck	
Agency Fund	16,000,000

uu. Agricultural Plant Growth Chamber		
Agency Fund	800,000	
vv. Environmentally Controlled Greenhouse		
Agency Fund	800,000	
ww. Agricultural Social Science Building		
Agency Fund	4,000,000	
xx. Gaines Center for the Humanities Renovation		
Agency Fund (1987-88, \$143,000)		
yy. Residence Hall, Kentucky Leadership Center at Faubush		
Agency Fund	600,000	
7. University of Kentucky - Hospital		
a. Markey Cancer Center 3rd Floor Completion		
Agency Fund	3,500,000	
b. Hospital Stores Upgrade and Road Improvement		
Agency Fund	500,000	
c. Third Floor Renovation and Expansion		
Agency Fund	1,100,000	
d. Diagnosis Services Upgrade I		
Agency Fund		400,000
e. Labor and Delivery Upgrade		
Agency Fund	300,000	
f. MRI Facility Clinical Component (MRISC Phase I)		
Agency Fund	1,500,000	
g. Incinerator Replacement		
Agency Fund	300,000	
h. Ambulatory Surgery Upgrade		
Agency Fund		750,000

i. Nursing Unit Modifications

Agency Fund	500,000
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j. Ground Floor Support Services Upgrade

Agency Fund	300,000
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k. Upgrade and Extension of Pneumatic Tube System

Agency Fund	750,000
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l. Land Acquisition for Business Services Facility

Agency Fund	2,000,000
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m. Fire Safety/Suppression System, Phase I

Agency Fund	300,000
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n. Medical Research Building - Planning

Agency Fund	1,000,000
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8. University of Kentucky - Community College System

a. Elizabethtown Community College - Administration and Science Building

Agency Fund	250,000
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b. Lexington Community College - Oswald Building Renovation

Agency Fund	250,000
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c. Prestonsburg Community College - Johnson Building Renovation

Agency Fund	250,000
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d. Hazard Community College - Academic Building Renovation

Agency Fund	300,000
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e. Southeast Community College - Building Renovation

Agency Fund	350,000
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f. Elizabethtown Community College - Administration Building Roof Replacement

Agency Fund	217,000
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g. Jefferson Community College - DT - Broadway Building Renovation Phase II

Agency Fund	
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h. Ashland Community College - Academic Learning Resource Center

Bond Fund	4,300,000*
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*Project authorization in first year but bond sale not allowed until after January 1, 1989 due to timing of debt service payment and the related General Fund appropriation.

9. University of Louisville

a. Residence Hall

Bond Fund (debt service supported by agency funds)	6,000,000
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b. Land Acquisition

Agency Fund	5,000,000
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c. University Club

Agency Fund	4,000,000
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d. Renovation for Printing Services

Agency Fund	400,000
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e. Renovation of "C" Building

Agency Fund	2,154,000
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f. Kentucky Lions Eye Research Institute

Agency Fund	6,740,000
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10. Western Kentucky University

a. Life/Safety Improvements

Bond Fund	800,000
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b. Asbestos Abatement

Bond Fund	579,000
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c. Hazardous Materials Storage

Bond Fund	197,000
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d. Coal Boilers #1 and #2 Replacement

Agency Fund	1,272,000
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e. HVAC System Improvements

Agency Fund	175,000
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f. Treat Exterior Surfaces

Agency Fund	485,000
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g. Snell Hall Improvements

Agency Fund	
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h. Alteration of Dairy Barn

Agency Fund	210,000
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i. Residence Hall Improvements

Bond Fund (debt service supported by agency funds)	5,000,000
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j. Resident Hall

Bond Fund (debt service supported by agency funds)	6,000,000
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k. Student Housing Development, 15th Street

Bond Fund (debt service supported by agency funds)	5,886,000
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l. Instructional Television Station

Federal Funds	275,000
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m. Air Conditioning Units Replacement

Bond Fund	
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n. Academic Athletic Building No. 2 Structural Repairs

Bond Fund	
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o. Air Conditioning Units Replacement

Bond Fund	
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p. Ivan Wilson Building Humidity Control

Bond Fund	
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q. Helms Cravens Building Humidity Control

Bond Fund	
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r. Underground Steam and Electrical Distribution Lines Replacement

Bond Fund	
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s. Student Health/Activities Center

Bond Fund

10,000,000*

*Project authorization in first year but bond sale not allowed until after January 1, 1989 due to timing of debt service payment and the related General Fund appropriation.

EQUIPMENT LISTING

11. Eastern Kentucky University

Funding for the following Eastern Kentucky University equipment purchases will be from Agency Funds.

a. Equipment under \$50,000	900,000	900,000
b. CAD Drafting System		
c. PRINTING PRESS	63,000	
d. CNC TURNING CENTER		
e. TRANSMITTER - WEKU FM	120,000	
f. DIESEL BUSES	15,000	
g. ACADEMIC COMPUTER	480,000	
h. X-RAY FLUORESCENT SYSTEM	90,000	
i. BUSINESS COMPUTER	95,000	
j. TECHNOVATE PNEUMATIC UNIT		
k. LOCAL AREA NETWORK	80,000	80,000
l. PBX SWITCH	500,000	500,000

12. Morehead State University

Funding for the following Morehead State University equipment purchases will be from Agency Funds.

a. CNC LATHE		
b. CAD/CAM UPGRADE FOR PRIME SOFTWARE	81,500	
c. GAS CHROMATOGRAPH/MASS SPECTROMETER	74,500	
d. PLANETARIUM PROJECTOR & 10 MTR DOME	195,000	
e. COMPUTER LAB	68,000	
f. SCANNING ELECTRON MICROSCOPE		80,000
g. MICROSCOPES		67,200

h. STATE OF THE ART 386 MICROCOMPUTERS	221,500	
i. ELECTRONIC ORGAN	100,000	
j. NINE FOOT CONCERT GRAND PIANO	30,000	30,000
k. ELECTRONIC LAB/RECORDING STUDIO	60,000	
l. LIBRARY AUTOMATION SYSTEM		
m. WELDING INDUSTRIAL ROBOT		74,000
n. ACADEMIC/ADMINIS. COMPUTING SYSTEM	625,000	
o. COMMUNICATIONS/NETWORKING SYSTEM	381,000	
p. MISCELLANEOUS COMPUTING EQUIPMENT	53,000	
q. ACADEMIC SOFTWARE	68,500	
r. TELEPHONE SWITCHING SYSTEM/SUPPORT	487,200	
s. BULLDOZER	10,000	

13. Murray State University

Funding for the following Murray State University equipment purchases will be from Agency Funds.

a. UPGRADE IBM 4341 COMPUTER	650,000	650,000
b. SPECTROMETER	60,000	
c. UPGRADE CONTROL IMAGE PROCESSOR	75,000	
d. NUMERICAL CONTROL INJECTION MOLDING	90,000	
e. COMPUTER AIDED DESIGN LAB	527,600	
f. FLEXIBLE MANUFACTURING SYSTEM	485,000	
g. NUMERICAL CONTROL ROUTER SYSTEM	55,000	
h. MICRO COMPUTER LAB		165,000
i. ELECTRIC SERVICE TRUCK WITH BOOM		60,000
j. INTEGRATED ONLINE LIBRARY SYSTEM		250,000
k. GAS CHROMATOGRAPH/MASS SPECTROMETER		100,000
l. HIGH PRESSURE LIQUID CHROMATOGRAPH		50,000
m. ARTIFACT STORAGE/DISPLAY SYSTEM		252,000

14. Northern Kentucky University

Funding for the following Northern Kentucky University equipment purchases will be from Agency Funds.

a. GAS CHROMATOGRAPH/MASS SPECTROMETER
(FY 1987-88—92.000)

b. MAINFRAME COMPUTER	181,900	181,900
c. XEROX 9900 VR (LEASE/PURCHASE)	31,300	31,300
d. INTERLINK SYSTEM	130,000	
e. MINICOMPUTER FRONT END PROCESSOR	155,000	
f. LIBRARY AUTOMATION PROJECT	115,000	115,000
g. MINICOMPUTER UPGRADE	145,000	145,000
h. TOUCH TONE DATA ENTRY RESPONSE SYSTEM	5,300	
i. NUCLEAR MAGNETIC RESONANCE SPECTROMETER	142,000	
j. OPTICAL SCANNER	85,000	
k. ENERGY MANAGEMENT SYSTEM UPGRADE	140,000	
l. TWO COLOR PRESS	135,000	

15. University of Kentucky - Main Campus

Funding for the following University of Kentucky equipment purchases will be from Agency Funds.

- COMPUTER UPGRADE	390,000
- COMPUTER STORAGE EQUIPMENT	750,000
- COMPUTER STORAGE EQUIPMENT	650,000
- DATA COMMUNICATIONS EQUIPMENT	250,000
- SYSTEM NETWORK ARCHITECTURE FACILITY	1,000,000
- IMAGE PROCESSING/DISPLAY SYSTEM	600,000
- MAINFRAME MEMORY AND CHANNEL EXPANSION	1,125,000
- COMPUTER STORAGE SYSTEM TAPES	430,000
- INSTRUCTIONAL SUPPORT SYSTEM	800,000
- VS65 COMPUTER UPGRADE	100,000

- ENERGY MANAGEMENT SYSTEM	419,000
- MOBILE ROBOT PACKAGE	100,000
- FLEXIBLE ASSEMBLY LINE	100,000
- CNC VERTICAL MILL	72,500
- FORAGE TESTING SYSTEM	65,000
- IRRIGATION SYSTEM	100,000
- MATERIAL SYNTHESIS EQUIPMENT	410,000
- TRANSFORM INTERFEROMETER	150,000
- BLOOD CHEM/ELECTRO/HEMAT SYSTEM	96,200
- HORIZONTAL CNC MACHINING CENTER	180,000
- GAS CHROMATOGRAPH	80,000
- IMAGE DEVELOPMENT COMPUTER	181,200
- VOICE RESPONSE TELEPHONE REGISTRATION SYSTEM	147,000
- STABLE ISOTOPE MASS SPECTRO SYSTEM	130,000
- SIGNAL PROCESSING SYSTEM	75,000
- COMPUTERIZED SCANNING SYSTEM	65,000
- NETWORK ANALYZER	52,000
- SUPER MINICOMPUTER	300,000
- INDUSTRIAL ROBOTS	100,000
- PC ETHERNET	150,000
- NETWORK COMMUNICATION	285,000
- HARRIS HCX-7 UPGRADE	125,000
- LOCAL AREA NETWORK	50,000
- AT&T 3B20 UPGRADE	100,000
- HIGH TEMPERATURE OPTICAL MICROSCOPE	105,000
- HARRIS HCX-7 UPGRADE	80,000
- HIGH SPEED VIDEO RECORDER W/PERIPHERALS	120,000

- PLOTTER FOR HARRIS HCX-7	50,000
- HORIZONTAL BORING MACHINE	52,500
- LATHE W/48" SWING	65,000
- BLOOD PROFILE ANALYSIS SYSTEM	60,000
- MOBILE DENTAL CLINIC	162,000
- TRACK TYPE TRACTOR	73,800
- CATALOG REMOTE ACCESS SYSTEM	50,000
- COMPACT SHELVING (3)	150,000
- ARTIFICIAL INTELLIGENCE FILE SAVER	60,000
- MINICOMPUTER	470,000
- LINE TEST EQUIPMENT	55,000
- VS COMPUTER	202,000
- DISTRIBUTED PBX (3)	175,000
- DEV COMPUTER/HARDWARE-ANSER	60,000
- COMPUTER UPGRADE II UPDATE MASTER	240,000
- DATA ACQUISITION/ANALYSIS COMPUTER	70,000
- EDITING/MAILING SYSTEM	60,000
- LOG TRUCK	58,000
- INDUSTRIAL QUALITY ROBOT	50,000
- ROTOR TEST FACILITY	70,000
- EXTEND 2-D LDV TO 3-D LDV	90,000
- VAPOR DEPOSITION SYSTEM	150,000
- GAS CHROMATOGRAPH/MASS SPECTROMETER	61,500
- DOCUMENT IMAGE ARCHIVAL/RETRIEVAL	177,000
- STUDIO TV CAMERA	65,500
- TELEPHONE 4600E PBX	500,000
- 20 PORT AUDIO BRIDGE	72,500

- VIDEO RECORDER/PLAYER	62,800
- CADAVER STORAGE RACK	140,800
- COMPUTER AIDED DESIGN/COMPUTER EQUIPMENT	156,000
- CRYOLATHE	102,500
- RESEARCH MINICOMPUTER	350,000
- KINETIC COMMUNICATOR SYSTEM	72,400
- MANAGEMENT MINICOMPUTER	365,000
- METABOLIC CART	50,000
- MAGNETIC RESONANCE IMAGER	3,000,000
- ADMINISTRATIVE MINICOMPUTER	206,000
- HIGH PERFORMANCE LIQUID CHROMATOGRAPH	50,000
- SCANNING ELECTRON MICROSCOPE	355,000
- IMAGE ANALYSIS SYSTEM	155,000
- SECONDARY ION MASS SPECTROSCOPY	150,000
- INTEGRATED ANGI, DOPPLER, ECHO	1,100,000
- RESEARCH MINICOMPUTER	51,500
- WALK-IN FREEZER	75,000
- AUTO AFTERLOADER	168,300
- ELECTRORETINOGRAM	98,800
- FIELD EMISSION GUN FOR STEM	200,000
- IMAGING SYSTEM	97,900
- DESKTOP PUBLISHING SYSTEM	139,100
- BASEBALL GRANDSTAND	100,000
- REHABILITATION/FITNESS EQUIPMENT	52,900
- EXERCISE EQUIPMENT	52,900
- TRACK GRANDSTAND	100,000
- CLINICAL PATIENT CARE COMPUTER	448,100

- DATA STORAGE DEVICES	77,300	
- DIFFUSION FURNACE	150,000	
- JOINT TESTING EQUIPMENT	50,000	
- VIDEO MICROSCOPY EQUIPMENT	60,000	
- GAS CHROMATOGRAPH	60,000	
- MODELING SYSTEM	180,300	
- TREATMENT PLANNING SYSTEM	61,800	
- BEHAVIORIAL ANALYSIS SYSTEM	60,000	
- LIGHT MICROSCOPE	55,000	
- IMAGE ANALYZER	107,000	
- HIGH PERFORMANCE LIQUID CHROMATOGRAPH	58,600	
- HPLC/FPLC	64,000	
- COMPUTER STORAGE EQUIPMENT		750,000
- DATA COMMUNICATIONS EQUIPMENT		250,000
- MAINFRAME MEMORY EXPANSION		250,000
- ENERGY MANAGEMENT SYSTEM		427,000
- MOBILE ROBOT PACKAGE		100,000
- FLEXIBLE ASSEMBLY LINE		100,000
- CONSTRUCTION BOOM LIFT		100,000
- FRONT LOADING GARBAGE TRUCK		105,000
- LOCAL AREA NETWORK		50,000
- UKNET GATEWAY		50,000
- ELECTRON SPIN RESONANCE SPECTROMETER		181,000
- GRAIN COMBINE		72,000
- SMALL ANIMAL CAGE WASHER		75,500
- WELDING WORKSTATION		100,000
- CONTROLLED ATMOSPHERE SINTERING FURNACE		60,000

- AUTOMATED HARDNESS TESTING MACHINE	100,000
- CRYSTAL GROWTH FURNACE	100,000
- HOLOGRAPHIC SYSTEM W/IMAGE ANALYZER	110,000
- DOUBLE MONOCHROMATER	61,000
- DEV COMPUTER/HARDWARE-ANSER	180,000
- LASER PRINTER	80,000
- COMPUTER DISK STORAGE/MEMORY EXPANSION	120,000
- STUDIO TV CAMERA	65,500
- RADIO LABELED CHROMATOGRAPHY SYSTEM	51,000
- NUCLEAR DATA ACQUISITION SYSTEM	80,000
- RESEARCH MINICOMPUTER	242,100
- UNIVERSAL 40 TON TESTING MACHINE	70,000
- LIQUID CHROMATOGRAPH SYSTEM & ACCESS	56,000
- MASS SPECTROMETER	100,000
- VERTICAL CNC MACHINING CENTER	240,000
- POSITION EMISSION TOMO SCANNER	3,000,000
- MASS SPECTROMETER W/TRIPLE QUADRUPE	970,000
- SPECTROMETER	80,300
- ULTRACENTRIFUGE	134,000

16. University of Kentucky - Hospital

Funding for the following University of Kentucky - Hospital equipment purchases will be from Agency Funds.

a. COMPUTER DISK STORAGE	434,000
b. MATERIALS MANAGEMENT SYSTEM	192,000
c. MAINFRAME CENTRAL PROCESSOR	2,300,000
d. AUTOMATED PAYROLL SYSTEM	220,000
e. INCINERATOR	300,000
f. EMERGENCY VEHICLE	125,000

g. CARDIAC CATHETERIZATION LAB REPLACEMENT	1,320,000
h. RADIATION MEDICINE TREATMENT EQUIPMENT	885,000
i. MOBILE FLUOROSCOPIC EQUIPMENT	135,000
j. MULTIPHASIC CHEMICAL ANALYZER	198,000
k. AUTOMATED CHEMISTRY ANALYZER	121,000
l. RADIOGRAPHIC FLUOROSCOPIC UNIT	440,000
m. RADIOLOGICAL IMAGING SYSTEM	550,000
n. RADIOGRAPHIC IMAGING SYSTEM	209,000
o. ANGIOGRAPHIC EQUIPMENT	99,000
p. SURGERY LASER	140,000
q. HEART SURGERY EQUIPMENT	250,000
r. NEUROSURGERY DIAGNOSTIC EQUIPMENT	140,000
s. PATIENT CARE SYSTEM	100,000
t. ECHOCARDIOGRAPHIC EQUIPMENT	150,000
u. ENDOSCOPE SYSTEM	60,000
v. NUCLEAR MEDICINE CAMERA	280,000
w. OPHTHALMIC EQUIPMENT	90,000
x. NEUROLOGIC DIAGNOSTIC EQUIPMENT	80,000
y. ULTRASOUND SYSTEM	185,000
z. AUTOMATED CYTOGENETICS ANALYZER	80,000
aa. SPECIAL CHEMISTRY AUTOMATED ANALYZER	70,000
bb. BLOOD PROCESSOR	55,000
cc. MICROBIOLOGY AUTOMATED PROCESSOR	85,000
dd. HYPERBARIC CHAMBER	80,000
ee. FINANCIAL PLANNING SYSTEM	150,000
ff. PRINTER	65,000
gg. WORD PROCESSING EQUIPMENT	100,000

hh. MAGNETIC RESONANCE IMAGING EQUIPMENT	2,600,000
ii. DISK STORAGE UNITS	300,000
jj. RADIOLOGY INFORMATION SYSTEM	100,000
kk. CLINICAL COMPUTING EQUIPMENT	200,000
ll. EMERGENCY VEHICLE	120,000
mm. SURGICAL LASER	150,000
nn. SURGICAL DIAGNOSTIC EQUIPMENT	150,000
oo. OPHTHALMOLOGY MICROSCOPE	70,000
pp. RADIOGRAPHIC FLUOROSCOPIC UNIT	305,000
qq. RADIOGRAPHIC UNIT	200,000
rr. CHEST IMAGING UNIT	195,000
ss. MAMMOGRAPHIC SYSTEM	105,000
tt. IMAGING UNIT	155,000
uu. COMPUTERIZED TOMOGRAPHY SCANNER	1,950,000
vv. TOXICOLOGY PROCESSOR	60,000
ww. AUTOMATED LABORATORY ANALYZER	330,000
xx. HEMATOLOGY AUTOMATED PROCESSOR	187,000
yy. ULTRASOUND SYSTEM	135,000
zz. VASCULAR DIAGNOSTIC EQUIPMENT	200,000
aaa. NUCLEAR MEDICINE CAMERA	250,000
bbb. TREATMENT PLANNING COMPUTER	150,000
ccc. NEUROLOGY SCANNING SYSTEM	70,000
ddd. MAINFRAME UPGRADE	400,000
eee. RADIATION MEDICINE UNIT	1,000,000
fff. HELICOPTER	3,000,000

17. University of Kentucky - Community College System

Funding for the following University of Kentucky Community College System will be from Agency Funds.

a. Jefferson DT: ENERGY MANAGEMENT SYSTEM	150,000	
b. Ashland: ENERGY MANAGEMENT SYSTEM	85,000	
c. Ashland: DATA/COMMUNICATION SYSTEM	95,000	
d. Paducah: ENERGY MANAGEMENT SYSTEM	85,000	
e. LIBRARY MINICOMPUTER	300,000	
f. Madisonville: ENERGY MANAGEMENT SYSTEM		100,000
g. Jefferson: ENERGY MANAGEMENT SYSTEM		75,000
h. Prestonsburg: ENERGY MANAGEMENT SYSTEM		100,000
i. Somerset: DATA/COMMUNICATION SYSTEM		85,000
j. IBM 4331 UPGRADE		150,000
k. LIBRARY MINICOMPUTER		265,000

18. University of Louisville

Funding for the following University of Louisville equipment purchases will be from Agency Funds.

a. CENTRAL PROCESSING UNIT	600,000	600,000
b. TELECOMMUNICATIONS SYSTEM		500,000
c. TYPESETTING EQUIPMENT	50,000	
d. TRANSMISSION ELECTRON MICROSCOPE		216,300
e. CHANNEL UPGRADE		125,000
f. DATA COMMUNICATIONS NETWORK EXPANSION		350,000
g. LASER PRINTERS		100,000
h. EMERGENCY CALL BOX SYSTEM	100,000	
i. CLOSED-CIRCUIT TELEVISION MONITOR	100,000	
j. VOICE RESPONSE SYSTEM		153,500
k. HIGH ENERGY LINEAR ACCELERATOR	1,800,000	
l. FLOW CYTOMETRY	153,200	
m. NUCLEAR MAGNETIC RESONANCE SPECTROMETER	1,360,000	
n. METABOLIC MEASUREMENT CART	65,000	

o. REMOTE AFTERLOADER FOR BRACHYTHERAPY	240,000	
p. GAMMA & BETA RADIOACTIVITY COUNTERS	65,000	
q. PEPTIDE SYNTHESIZER	85,900	
r. FLUORESCENT MICROSCOPE	55,000	
s. NUCLEAR COUNTING SYSTEM	50,600	
t. INTERFACED CAPILLARY COLUMN GAS CHROMATOGRAPH/FOURIER TRANSFORM INFRARED SPECTROPHOTOMETER/DATA SYSTEM	85,500	
u. AMINO ACID ANALYZER	101,000	
v. PROTEIN SEQUENCER	95,900	
w. PAIN MANAGEMENT FACILITY	94,100	
x. PLOTTER SUBSYSTEM		75,000
y. TAPE SUBSYSTEMS		400,000
z. NUCLEAR MAGNETIC RESONANCE SPECTROMETER		129,000
aa. SCIENTIFIC PROCESSOR UPGRADE		250,000
bb. BASIC RADIOGRAPHIC/FLUOROSCOPIC UNIT		260,000
cc. DYNAMIC MECHANICAL ANALYZER		60,700
dd. MODULATION GENERATOR		55,000
ee. MICROVAX II COMPUTER SYSTEMS	61,600	61,600
ff. MAGNETIC CIRCULAR DICHORISM SPECTROMETER		77,300
gg. SYNTHESIZER	60,000	
hh. PIPE ORGAN		75,000
ii. 47 PASSENGER HIGHWAY BUS		200,000
jj. TRASH COMPACTOR TRUCK		75,000

The following academic equipment requested from state supported bonds are authorized from Agency Funds to the extent available.

a. CORONARY ANGIOGRAPHY SYSTEM	165,000
b. ELECTROPHYSIOLOGY SYSTEM	151,000

c. IMAGE PROCESSING UNIT	209,500
d. MATERIAL TEST SYSTEM UNIVERSAL TESTING MACHINE	252,000
e. ANIMAL IRRADIATOR	140,000
f. AUTOMATIC RECORDING SPECTROPOLARIMETER	67,500
g. LASER FLUORIMETRIC SYSTEM	85,700
h. GRAPHICS MODELING SYSTEM	80,900
i. ELECTRONIC ANALYZER/DESIGN SYSTEM	89,800
j. ORTHO CYTOFLUORAGRAP	216,500
k. CAE/FACTORY AUTOMATION FACILITY	535,000
l. COMPUTER DISK DRIVE	50,000
m. ARRAY PROCESSOR SYSTEM	153,900
n. NUCLEAR MAGNETIC RESONANCE SPECTROMETER	568,800
o. DISK SUBSYSTEMS	300,000
p. CENTRAL PROCESSING UNIT/UPGRADE	2,500,000
q. MEMORY UPGRADE	100,000
r. TRANSMISSION ELECTRON MICROSCOPE	331,300
s. SCANNING ELECTRON MICROSCOPE	100,000
t. TISSUE CULTURE LABORATORY	140,700
u. ANESTHESIA/CELLULAR NEUROSCIENCES LAB	62,000
v. GAS CHROMATOGRAPH/MASS SPECTROMETER SYSTEM	86,700
w. HYPERTHERMIA EQUIPMENT	240,000
x. FLOW CYTOMETER	85,000
y. ULTRA HIGH VACUUM CHAMBER/MASS SPECTROMETER	80,000
z. MATERIALS TESTING SYSTEM	85,000
aa. MICROCOMPUTER LOCAL AREA NETWORK	100,000
bb. TRANSMISSION ELECTRON MICROSCOPE	111,000

cc. CONDENSED MATTER ANALYTICAL FACILITY	53,000
dd. CHANNEL UPGRADE	125,000
ee. DATA COMMUNICATIONS NETWORK EXPANSION	350,000
ff. SCIENTIFIC PROCESSOR	500,000
gg. LASER PRINTER	350,000
hh. THERMOGRAPHIC SYSTEM (INFRARED CAMERA/IMAGE PROCESSING SYSTEM)	80,000
ii. HIGH PERFORMANCE LIQUID CHROMATOGRAPHY SYSTEM	51,200
jj. LIQUID CHROMATOGRAPHY SYSTEM	75,000
kk. LASER OPTICS LABORATORY	556,000
ll. ARGON/DYE LASER	83,000
mm. COMPUTER NUMERICALLY CONTROLLED GRINDING MACHINE	178,000
nn. COMPUTER SYSTEM FOR INSTRUCTIONAL SUPPORT	160,000
oo. ROBOT	52,000
pp. MICROCOMPUTER DEVELOPMENT SYSTEM	62,000
qq. TORSIONAL TESTING MACHINE	60,000
rr. PLOTTER SUBSYSTEM	75,000
ss. TAPE SUBSYSTEMS	400,000
tt. ULTRACENTRIFUGE	56,500
uu. RADIONUCLIDE DETECTION SYSTEM	60,100
vv. LIQUID CHROMATOGRAPH/MASS SPECTROMETER	98,000
ww. ABSORPTION/PACKED BED HYDRAULICS EXPERIMENT	70,000
xx. MICROFICHE EQUIPMENT	150,000
yy. OPTICAL CHARACTER SCANNER	75,000
zz. VECTOR FACILITY	500,000
aaa. UNINTERRUPTABLE POWER SUPPLY	150,000

bbb. GRAPHICS COMPUTER	80,000
ccc. TELEVISION EDITING SYSTEM	54,000
ddd. STUDIO TELEVISION CAMERAS	309,300
eee. INSTRUCTIONAL TELEVISION FIXED SERVICE TRANSMITTERS	106,700
fff. CABLE TELEVISION DISTRIBUTION SWITCH	99,600
ggg. DISK SUBSYSTEMS	300,000
hhh. MEMORY UPGRADE	100,000

19. Western Kentucky University

Funding for the following Western Kentucky University equipment purchases will be from Agency Funds, except as noted.

a. TELEVISION CAMERAS	110,000
b. CLUSTER CONTROLLER	54,600
c. CENTRAL PROCESSOR. CONTROLLER/DD	469,000
d. UPGRADE VAX 8650	400,000
e. CENTRAL PROCESSOR ACADEMIC	721,000
f. DISK DRIVES	89,000
g. TAPE CONTROLLER	51,500
h. ELECTRON MICROSCOPE	70,000
i. GARBAGE TRUCK	60,000
j. TELEPHONE COMMUNICATIONS SWITCHING	1,200,000
k. MAGNETIC RESONANCE	

Agency Fund	70,000
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Federal Fund	70,000
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Total	140,000
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l. PLASMA UNIT

Agency Fund	35,000
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Federal Fund	35,000
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TOTAL	70,000
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m. MICROSCOPE PHOTOMETER

Agency Fund	60,000
Federal Fund	<u>60,000</u>
Total	120,000

n. NUMERIC CONTROL UNIT

Agency Fund	25,000
Federal Fund	<u>25,000</u>
Total	50,000

H. CABINET FOR HUMAN RESOURCES

1. Department for Mental Health/Mental Retardation

a. Miscellaneous Projects

Investment Income	\$400,000	\$400,000
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b. Hazelwood Facility

General Fund	1,250,000
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2. Department for Social Services

a. Miscellaneous Projects

Investment Income	300,000	300,000
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3. Administration and Program Support

a. Miscellaneous Projects

Investment Income	400,000	300,000
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b. Health Services Building Asbestos Abatement

Bond Fund	5,100,000
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4. Department for Social Insurance

a. Child Support Enforcement Automation System

Agency Fund	167,200
Federal Fund	<u>1,504,500</u>
Total	1,671,700

I. JUSTICE**I. Department of State Police****a. Minor Projects**

Investment Income	\$100,000	\$100,000
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b. Micro - FTIR Analysis System

Agency Fund	150,000	150,000
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c. Laboratory Information System

Federal Funds	225,000	225,000
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J. NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION

For the capital construction project displayed in this section as an agency fund supported project, it is anticipated that these funds shall be transferred from the operating fund at such time as funds are available and needed. The total project cost shown does not reflect an addition to the operating fund appropriation.

1. State-Owned Dam Repair

Investment Income	1,000,000	
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2. Kentucky Abandoned Lands - Reclamation Program

Federal Fund	24,000,000	24,500,000
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The Commonwealth believes mining practices prior to the 1977 Federal Surface Mining Act have significantly degraded drinking water supplies. To promote the health and safety of its citizens, the Commonwealth supports a high priority ranking for those Abandoned Mine Land projects that insure safe and dependable water supplies.

3. Infrastructure Revolving Loan Fund

Bond Fund	6,937,000	4,734,200
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4. Nature Preserves Acquisition Fund

Agency Fund	40,000	40,000
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K. PUBLIC PROTECTION AND REGULATION

For the major equipment purchase displayed in this section as agency fund or general fund supported projects it is anticipated that these funds shall be transferred from the operating fund at such time as funds are available and needed. The total project cost shown does not reflect an addition to the operating fund appropriation.

1. Public Service Commission**a. Expand Current Central Processing Unit**

Agency Fund		\$150,000
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L. TOURISM

The total project costs shown do not reflect additions to the operating fund appropriations.

1. Parks

a. Miscellaneous Major Maintenance

Investment Income	\$3,200,000	\$3,200,000
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b. Kincaid Lake-Swimming Pool

Bond Fund	768,400	
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Agency Fund	<u>50,000</u>	
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Total	818,400	
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c. Blue Licks-Multipurpose Building and Cottages

Bond Fund	285,000	
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d. Jenny Wiley Meeting Room and Parking

Bond Fund	2,544,000	
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e. Greenbo Meeting Room

Bond Fund	1,065,600	
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f. Natural Bridge-Expansion of Kitchen and Dining Room

Bond Fund	279,200	
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g. Lake Barkley-Reroof Lodge

Bond Fund	759,000	
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h. Kingdom Come State Park Crafts Building and Information Center

General Fund		
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Bond Fund		
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i. Pine Mountain Meeting Facility

Bond Fund	1,400,000	
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j. Rough River Meeting Facility

General Fund	110,000	
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Bond Fund		1,332,200
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k. Audubon --- Nature Center

Agency Fund	120,000	
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l. Ft. Harrod --- Museum Renovation

General Fund	25,000	
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Bond Fund		278,000
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2. Kentucky Horse Park

a. Miscellaneous Major Maintenance

Investment Income	200,000	200,000
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b. Sewage Treatment Plant Expansion

General Fund	300,000	
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c. Show Facility

General Fund	255,000	165,000
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3. State Fair Board

a. Major Maintenance, Renovation and Repair Projects

Investment Income	500,000	500,000
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b. Exhibit Hall Expansion

Bond Fund		15,000,000
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4. Fish and Wildlife Resources

a. Miscellaneous Minor Projects

Agency Fund	36,800	44,300
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Federal Fund	110,200	132,700
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Total	147,000	177,000
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b. Minor Clark and Frankfort Hatchery Repairs

Agency Fund	168,500	216,000
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Federal Fund	505,500	648,000
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Total	674,000	864,000
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c. Land Acquisition

Agency Fund	1,020,000	1,020,000
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d. Lakes Construction

Agency Fund	35,000	35,000
Federal Fund	<u>105,000</u>	<u>105,000</u>
Total	140,000	140,000

e. Education Center-Game Farm

Agency Fund	350,000
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f. Swimming Pool-Camp Currie

Agency Fund	200,000
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g. Backhoe

Agency Fund	17,500
Federal Fund	<u>52,500</u>
Total	70,000

h. Boat Ramps on Rivers

Agency Fund	200,000	200,000
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i. Yatesville Lake — Parking, Utilities, boat ramps, and other access facilities

Agency Fund	580,000
Federal Fund	<u>580,000</u>
Total	1,160,000

M. TRANSPORTATION

For the Major Equipment purchases and capital construction projects displayed in this section, it is anticipated that the funds shall be transferred from the operating fund at such time as funds are available and needed. The total project costs shown do not reflect additions to the operating fund appropriations.

1. Adair County Maintenance Facility

Road Fund	\$401,600
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2. Perry County Maintenance Facility

Road Fund	\$413,600
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3. Interactive Graphics System Expansion and Enhancements

Road Fund	397,100	422,500
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4. Owsley County Maintenance Facility

Road Fund

5. Lyon County Weigh Station

Road Fund

6. US-41 Port of Entry Weigh Station

Federal Fund	165,000	1,365,000
Road Fund	<u>55,000</u>	<u>455,000</u>
Total	220,000	1,820,000

In the event that any authorized capital construction and/or equipment purchase projects are cancelled it is the intent of the General Assembly that any General Fund appropriated debt service for those same projects shall remain unallotted and lapse to the credit of the General Fund. Those projects set forth under the sub-heading "higher education" are subject to the action and approval of the Council on Higher Education and subject to approval of the Finance and Administration Cabinet. The provisions of KRS 45.750 through 45.990 notwithstanding, it is the intent of the General Assembly that capital construction projects at institutions of higher education involving no state or federal funds, may be authorized between Regular Sessions of the General Assembly, providing that such projects receive prior approval from both the Council on Higher Education and the Secretary of the Finance and Administration Cabinet, and that the Capital Construction and Equipment Purchase Oversight Committee receives prior notification.

Pursuant to the provisions of KRS 45.760(12), the Capital Construction and Equipment Purchase Contingency Fund may be used to advance funds to projects authorized to be financed by bonds and may be used to finance feasibility studies for future projects.

Roof repair or replacement projects shall be eligible for Emergency Repair, Maintenance, and Replacement Fund allotments, subject to the provisions of KRS 45.780.

Before any economic development bonds are issued, the proposed bond issue shall be approved by the Secretary of the Finance and Administration Cabinet and the State Property and Buildings Commission under the provisions of KRS 56.440-56.720. Administration of the Economic Development Bond program by the Secretary of Commerce is subject to the guidelines contained herein: (1) Project selection criteria are to be developed by the Secretary of Commerce. The criteria shall include but not be limited to such issues as: a project's job creation and/or job retention potential, degree of public and/or private local involvement, and potential project payback and/or contribution in retiring the associated debt obligation. (2) Projects of state agencies are not eligible for funding from this source unless expressly provided for in the appropriation act. (3) Project selection shall be documented when presented to the Secretary of Finance. Included in the documentation shall be the rationale for selection and expected economic development impact. (4) Following approval by the Secretary of Finance and Administration Cabinet and the State Property and Buildings Commission, the project shall be presented by the Commerce Cabinet to the next regularly scheduled Capital Construction and Equipment Purchase Oversight Committee meeting for information and review under the provisions of KRS 45.750-45.800.

Inasmuch as the identification of specific projects in a variety of areas of the State Government cannot be ascertained with absolute certainty at this time, it is the purpose and intent of the General Assembly, to appropriate amounts for specific purposes to projects which are not individually identified herein in the following areas: Repair of State-Owned Dams, Economic Development Projects, Handicapped Access, Fire and Life Safety, and Asbestos Litigation and Abatement projects. Any such projects estimated to cost over \$200,000 and equipment estimated to cost over \$50,000 shall be reported to the Capital Construction and Equipment Purchase Oversight Committee. All monies transferred to the Finance and Administration Cabinet for capital construction from any appropriations, including income from investments, shall be expended, accounted for, and otherwise treated in the same manner as funds appropriated directly to the Finance and Administration Cabinet for capital construction.

PART VI

GENERAL PROVISIONS

1. Except as otherwise explicitly authorized by this Act, nothing in this Act shall be construed to repeal any appropriation made hereinbefore or hereinafter for the fiscal year ending June 30, 1988, and nothing in this Act is to be construed as amending or altering the provisions of Chapters 42, 45, and 48 of the Kentucky Revised Statutes pertaining to the duties and powers of the Secretary of the Finance and Administration Cabinet. All questions that arise in interpreting any appropriation in this Act as to the purpose or manner for which such appropriation may be expended shall be decided by the Secretary of the Finance and Administration Cabinet pursuant to KRS 48.500 and the decision of the Secretary of the Finance and Administration Cabinet shall be final and conclusive.

2. In enacting this Appropriation Act, it is the deliberate intention of the General Assembly to enact each section, and each subsection thereof as a separate and/or specific appropriation and law, and if any section, any subsection, or any provision thereof shall be held invalid or unconstitutional, the decision of the courts shall not affect or impair any of the remaining sections, subsections, or provisions contained herein.

3. The Secretary of the Finance and Administration Cabinet is authorized to establish a system or formula or a combination of both for pro-rating the administrative costs of the Finance and Administration Cabinet, and the Departments of Treasury and Law relative to the administration of programs in which there is joint participation by the State and Federal Governments for the purpose of receiving the maximum amount of participation permitted under the appropriate Federal laws and regulations governing such programs.

4. All continuing appropriations in existence at the time this Act takes effect are discontinued and repealed by this Act except as provided by Chapters 12, 42, 56, 152, 177, and 341 of the Kentucky Revised Statutes. All laws and portions of laws in conflict with any of the provisions of this Section, to the extent of such conflict, are hereby repealed, unless otherwise provided by this Act.

5. No state agency, cabinet, department, office, or program shall incur any obligation against the General Fund appropriations contained herein unless such obligation may be reasonably determined to have been contemplated in the enacted budget and is based upon supporting documentation and legislative and executive records.

6. Any General Fund appropriation made herein in anticipation of a lack, loss, or reduction of Federal funds shall lapse to the General Fund to the extent such Federal funds otherwise become available.

7. The Secretary of the Finance and Administration Cabinet shall cause the Governor's Office for Policy and Management, within seventy-five days upon adjournment of the 1988 General Assembly, to prepare a final budget document based upon the Executive Budget proposal as enacted by the 1988 General Assembly as well as other acts which provide appropriations for the 1988-90 biennium and based upon supporting documentation and legislative records as considered by the 1988 General Assembly. This document shall include for each agency and budget unit a consolidated budget summary statement of available regular and continuing appropriated revenue by fund source, corresponding appropriation allocations by program or subprogram as appropriate, budget expenditures by principal budget class and such other fiscal data and commentary considered necessary by the Governor's Office for Policy and Management for budget execution and oversight. The enacted budget document and any adjustments thereto approved by the Governor's Office for Policy and Management as provided in each part of this Act or by Law, and any supporting documents, shall be communicated to the Interim Joint Committee on Appropriations and Revenue on a regular basis.

8. In the event that any authorized capital construction and/or equipment purchase projects are cancelled it is the intent of the General Assembly that any appropriated General Fund debt service for those same projects shall remain unallotted and lapse to the credit of the General Fund. In the event that General Fund appropriated debt service is less than required due to favorable interest rates, refinancing, or timing variances, the excess debt service in each fiscal year shall remain unallotted and lapse to the credit of the General Fund.

9. It is the intent of the General Assembly that the Secretary of the Transportation Cabinet shall use Road Fund resources to meet the lease rental payments to the Kentucky Turnpike Authority for Resource Recovery Road projects in the amount certified by the Secretary of the Transportation Cabinet. However, in the event that Road Fund resources are not sufficient to meet lease rental payments, the additional amount

required for meeting lease rental payments as certified by the Secretary of the Transportation Cabinet under KRS 143.090 shall be transferred from coal severance tax receipts to meet the obligation.

10. The General Assembly recognizes that during fiscal year 1986-87 and fiscal year 1987-88, the General Fund revenues of the Commonwealth were less than the estimates upon which appropriations for those fiscal years were made under KRS Chapter 47 by the 1986 General Assembly. The General Assembly acknowledges that as a result of shortfalls in the revenues during the biennium for which funds were appropriated by the 1986 General Assembly the Secretary of the Finance and Administration Cabinet, as directed by KRS Chapter 47, took action to prevent an overdraft or deficit in the finances of the Commonwealth through the reduction of appropriations made under authority conferred pursuant to KRS Chapter 47 and by various other actions, all as set forth in and provided by Orders 87-462, 87-831, 87-881, and 88-432 of the Secretary of the Finance and Administration Cabinet, which Orders are permanent records of the Commonwealth, on file with the State Budget Director in the Governor's Office for Policy and Management.

It is the intent of the General Assembly herein to ratify and confirm the appropriation levels appearing in Orders 87-462, 87-831, 87-881, and 88-432 of the Secretary of the Finance and Administration Cabinet as the General Fund appropriations for fiscal year 1986-87 and fiscal year 1987-88, respectively, for the offices, boards, commissions, institutions, subdivisions and agencies of the Government of the Commonwealth of Kentucky, except so much thereof as relates to the appropriation to the Local Government Economic Assistance Fund, which sum shall be determined as provided by KRS 42.450; it is the further intent of the General Assembly herein, the provisions of any other law of the Commonwealth to the contrary notwithstanding, to ratify and confirm the advances, transfers and lapsing to the General Fund of all non-General Fund monies as identified in Orders 87-462, 87-831, 87-881, and 88-432 of the Secretary of the Finance and Administration Cabinet, and to that end, the General Assembly hereby expressly ratifies, adopts, and enacts the appropriation levels contained in Orders 87-462, 87-831, 87-881, and 88-432, as the appropriations for the offices, boards, commissions, institutions, subdivisions, and agencies of the Government of the Commonwealth for fiscal year 1986-87 and fiscal year 1987-88, and to the extent in conflict therewith the appropriation levels set forth in KRS Chapter 47 shall be read as conforming to the levels of appropriation hereby enacted.

11. In the event that the General Assembly enacts measures which provide additional Road Fund tax revenues in excess of the appropriations provided in this Act, such revenues are hereby appropriated in the manner set forth in the statutory budget memorandum.

12. A Budget Reserve Trust Fund is hereby established. There is appropriated from the General Fund, \$15,000,000 for fiscal year 1988-89 and \$20,400,000 for fiscal year 1989-90 to the Budget Reserve Trust Fund.

These funds shall be used in the event actual General Fund receipts are not sufficient to meet the General Fund appropriation levels authorized in the general biennial appropriation bills.

Any unexpended balance remaining at the close of the 1988-89 fiscal year shall not lapse, but shall continue into the 1989-90 fiscal year.

13. Pursuant to KRS 48.140 there is hereby established a General Fund Surplus Expenditure Plan for fiscal year 1988-89 and fiscal year 1989-90. This plan provides for the expenditure of excess General Fund Revenue receipts within the limits of KRS 48.120 in the following manner: (1) In fiscal year 1988-89 and fiscal year 1989-90, an amount not to exceed 10% of the appropriations for employer's health insurance premium cost shall be appropriated; (2) In each fiscal year the pro rata share of unfunded employer match requirements for the Kentucky Retirement Systems and Teachers' Retirement System are appropriated to the extent of available funds.

In the event, additional funds remain available after the above appropriations, such funds shall remain unappropriated for any other purpose.

14. There is appropriated from the General Fund the sum of \$2,000,000 to the Department of Fish and Wildlife Resources as reimbursement for the funds transferred under Executive Order 88-432. This transfer shall be completed on July 1, 1988.

PART VII

STATE OFFICERS SALARIES

1. It is the finding of the General Assembly of the Commonwealth of Kentucky that the financial condition of state government required the following action.

2. Notwithstanding the provisions of KRS 15.755, 15.765, 18A.355, 64.055, 64.480, and 64.485, the salaries of the various state officials for fiscal year 1989 shall be increased by two percent (2%) over fiscal year 1988.

3. For fiscal year 1990, salary increases for state officers shall be computed against the fiscal year 1989 adjusted base mandated in paragraph 2. above.

PART VIII

FUND TRANSFER

1. It is the finding of the General Assembly of the Commonwealth of Kentucky that the financial condition of state government requires the following action.

2. Notwithstanding the requirements of the statutes set forth below, there is hereby transferred from the agency and special funds enumerated below to the General Fund the following amounts in fiscal years 1988-89 and 1989-90.

	1988-89	1989-90
1. Kentucky Retirement Systems (KRS 61.580 and 16.565)	\$3,200,000	\$ 3,200,000

Notwithstanding KRS 61.565, the above amounts of the employer's share of General Fund deductions made for retirement contributions to the Kentucky Employees Retirement System and the State Police Retirement System shall be transferred to the General Fund.

2. Kentucky Law Enforcement Foundation Program Fund (KRS 15.430-500; 42.190; and 136.391)	\$17,000,000	\$5,000,000
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The General Assembly hereby directs that monies to be transferred from the Kentucky Law Enforcement Foundation Program Fund to the credit of the General Fund, shall be done so at the beginning of each quarter in equal allotments, each fiscal year of the 1988-90 biennium.

3. Fire and Tornado Insurance Fund (KRS 45.100)		\$ 2,000,000
4. Department of Insurance (KRS 304.2-300 and KRS 304.2-400)		\$ 2,000,000
5. Department of Financial Institutions (KRS 287.485)		\$ 1,400,000
6. Professional Firefighters Foundation Fund (KRS 94A.220)	\$2,539,000	\$8,000,000

The General Assembly hereby directs that monies to be transferred from the Professional Firefighters Foundation Program Fund to the credit of the General Fund shall be done so at the beginning of each quarter in equal allotments, each fiscal year of the 1988-89 biennium.

7. Commerce Cabinet/Office of the Secretary Economic Development

Bond Repayments (KRS Chapter 47)	\$ 1,000,000
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PART IX

GENERAL FUND BUDGET REDUCTION PLAN

Pursuant to KRS 48.130, there is hereby established a General Fund Budget Reduction Plan for state government for fiscal year 1988-89 and fiscal year 1989-90. Direct services and obligations essential to the minimum level of constitutional functions are exempted from the requirements of this Plan.

A. In the event of a reduction (revenue shortfall) in the estimated General Fund revenue receipts of \$3,277,889,600 for fiscal year 1988-89 and \$3,442,357,500 for fiscal year 1989-90, the heads of the Executive, Judicial, and Legislative Branches shall implement reductions for their respective branches in the following sequence:

1. The Local Government Economic Assistance Fund shall be adjusted to equal revised estimates of receipts pursuant to KRS 42.450.
2. Funds available in the General Fund Surplus Account, created by KRS 48.700, shall be applied toward the revenue shortfall.
3. The appropriations to the Budget Reserve Trust Fund shall be applied.
4. Monies which accrue as a result of personnel vacancies and turnover, reduced debt service requirements, operating expenses or equipment purchases shall be applied.
5. Transfer of excess or unbudgeted agency operating funds, excluding fiduciary funds or dedicated statutory funds.
6. If the actions outlined above are insufficient to eliminate the revenue shortfall, it is then the intent of the General Assembly that the governor of the Commonwealth of Kentucky be empowered to take other necessary actions to balance the budget.

The Senate Floor Amendment No. 3 to the Senate Committee Substitute to **HB 516** is as follows:

Amend printed copy of **HB 516/SCS** on page 157, after line 18, by adding the following language:

"15. There is appropriated from the General Fund in addition to the sums specified in Part I of this Act, the sum of \$3,750,000 in fiscal year 1988-89 and \$7,600,000 in fiscal year 1989-90 to the Teacher's Retirement System for an annual two percent (2%) increment in each such fiscal year for the cost-of-living allowance for retired teachers and each recipient of the retired member, subject to the provisions of KRS 161.620.

Representative Clarke moved that the House refuse to concur in the Senate Amendments to **HB 516**. Agreed.

Report on Enrolled Bills

The Committee on Enrollment reported **HB 305, HB 310, HB 423, HB 424, HB 462, HB 500, HB 517, HB 586, HB 631, HB 637, HB 684, HB 711, HB 719, HB 761, HB 765, HB 862, HB 901, HB 968, HB 973, SB 157, SCR 69** and **SB 265** have been examined and found correctly enrolled. Said Bills and Resolution read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate. (Time - 3:44 p.m.)

HB 305, HB 310, HB 423, HB 424, HB 462, HB 500, HB 517, HB 586, HB 631, HB 637, HB 684, HB 711, HB 719, HB 761, HB 765, HB 862, HB 901, HB 968 and **HB 973** delivered to the Senate, signed by the President. Ordered delivered to the Governor.

Senate Message

Announcing the passage of **HB 665**, with Senate Amendments.

Recess

Representative Stumbo moved that the House recess for 10 minutes. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order:

Orders of the Day (continued)

HB 20, with Senate Amendment attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Floor Amendment No. 1 to **HB 20** is as follows:

Amend printed copy of **HB 20** on page 2, after line 20, by adding the following new section:

"Section 2. KRS 199.640 is amended to read as follows:

(1) No person, association or organization shall conduct, operate or maintain any child-caring facility or child-placing agency without having a license to do so issued by the cabinet.

(2) Licenses issued to the agency or facility shall be valid for a period of one (1) year from date of issue unless revoked by the cabinet provided that each licensed facility or agency shall be visited and inspected by a person authorized by the cabinet at least once each year and a complete report of such visit or inspection be filed with the cabinet. Each license issued shall specify the type of care or service the licensee is authorized to perform. Each initial application for a license shall be accompanied by a fee of one hundred dollars (\$100) and shall, except for provisional licenses, be renewable annually upon expiration and reapplication when accompanied by a fee of fifty dollars (\$50.00). The fees collected by the secretary shall be deposited in the state treasury and credited to a revolving fund account for the purpose of carrying out the provisions of this section. The balance of said account shall lapse to the general fund at the end of each biennium.

(3) The secretary may adopt regulations establishing standards of care and service for child-caring facilities and child-placing agencies relating to the sanitary and hygienic conditions, the accommodations available for each child, the diet provided, the safety of the child from fire and other accidents and hazards, and such other factors as may be necessary to promote the welfare of children cared for or placed by such agencies and facilities; *provided, however, any administrative regulations adopted pursuant to KRS Chapter 13A to govern services provided by church related privately operated child caring agencies or facilities shall not prohibit the use of reasonable corporal physical discipline which complies with the provisions of KRS 503.110(1), including the use of spanking or paddling, as a means of punishment, discipline or behavior modification.*

(4) Each agency or facility licensed under this section shall keep a record containing:

(a) The names, ages, present and former residences of all children received;

(b) The names, residence and occupation so far as is known, of the parents;

(c) The dates of the reception, placing out for adoption or foster care, together with the names, occupation and residence of the persons with whom the child is placed;

(d) The date and cause of termination of its custody of each child; and

(e) A brief history of each child until he shall have reached the age of eighteen (18) years or shall have been adopted or discharged according to the law.

(5) Parents are received or boarded in a family rehabilitation home pursuant to a written agreement between home and parent.

(6) All records regarding children or facts learned about children and their parents and relatives by any licensed agency or facility shall be deemed confidential in the same manner and subject to the same

provisions as similar records of the cabinet. The information thus obtained shall not be published or be open for public inspection except to authorized employees of the cabinet or of such licensed agency or facility in performance of their duties.

Representative Long moved that the House concur in Senate Floor Amendment No. 1 to **HB 20**. Agreed

Representative Long moved that **HB 20**, as amended by the Senate, be passed.

On the roll call the vote was: Yeas 62, Nays 28. (See March 28, 1988 roll call on **HB 20** - Appendix A.)

HB 20, as amended by the Senate, was passed and the title agreed to.

Representative Long moved that the vote by which **HB 20**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 343, with Floor Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Mason moved the adoption of Floor Amendment No. 1 to **SB 343**. Agreed.

Representative M. Brown moved that **SB 343**, as amended, be passed.

On the roll call the vote was: Yeas 84, Nays 5. (See March 28, 1988 roll call on **SB 343** - Appendix A.)

SB 343, as amended, was passed and the title agreed to.

Representative M. Brown moved that the vote by which **SB 343**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 376, with Floor Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Geveden moved the adoption of Floor Amendment No. 2 to **SB 376**. Agreed.

Representative Johnson moved the adoption of Floor Amendment No. 1 to **SB 376**. Agreed.

Representative Ackerson moved that **SB 376**, as amended, be passed.

On the roll call the vote was: Yeas 89, Nays 0. (See March 28, 1988 roll call on **SB 376** - Appendix A.)

SB 376, as amended, was passed.

Representative Geveden moved the adoption of Floor Title Amendment No. 2 to **SB 376**. Agreed; and the title was agreed to.

Representative Ackerson moved that the vote by which **SB 376**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

Senate Message

Announcing the passage of **HB 87** with Senate Amendments, **HB 793** with Senate Amendment, **HB 224**, **HB 225**, **HB 314**, **HB 405**, **HB 472**, **HB 574**, **HB 712**, **HB 777**, **HB 792**, **HB 802**, **HB 853**, **HB 984**,

HB 1008, HCR 110 and HJR 126.**Orders of the Day (continued)**

SB 130, with Committee Substitute, Committee Amendments and Floor Amendments attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Worthington moved the adoption of Committee Substitute to **SB 130**. Agreed.

Representative Worthington moved the adoption of Floor Amendment No. 3 to Committee Substitute to **SB 130**. Agreed.

Representative B. Smith moved the adoption of Floor Amendment No. 4 to **SB 130**.

Representative B. Smith moved that Floor Amendment No. 4 to **SB 130** be withdrawn. Agreed.

Representative B. Smith moved the adoption of Committee Amendment No. 1 to **SB 130**. Rejected.

Representative B. Richardson moved that **SB 130**, by way of Committee Substitute as amended, be passed.

On the roll call the vote was: Yeas 77, Nays 20. (See March 28, 1988 roll call on **SB 130** - Appendix A.)

SB 130, by way of Committee Substitute as amended, was passed.

Representative Worthington moved the adoption of the Committee Title Amendment to the Committee Substitute to **SB 130**. Agreed; and the title was agreed to.

Representative B. Richardson moved that the vote by which **SB 130**, by way of Committee Substitute as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 570, with Senate Amendments attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Floor Amendment No. 2 to **HB 570** is as follows:

Amend printed copy of **HB 570** on page 1, line 9, after the number "(2)" by deleting the remainder of line 9;

On page 1, line 10, by deleting lines 10 through 20;

On page 2, by deleting lines 1 through 9;

On page 2, line 10, by deleting the number "(4)" and renumbering subsequent subsections accordingly.

On page 2, line 20, after the word "*unless*" by deleting the following: "*the person is or should be aware*";

On page 2, line 20, after the word "*unless*" by adding the following: "*a reasonable person under the same or similar circumstances should know*";

And on page 2, line 22, after the word "*intoxicated*" by adding the following: "*at the time of serving*";

The Senate Floor Amendment No. 3 to **HB 570** is as follows:

Amend printed copy of **HB 570** on page 2, line 23, by deleting "*and the insurer of the*"; and on line

24. by deleting "*intoricated person*"

Representative Bronger moved that the House concur in Senate Floor Amendment No. 2 to **HB 570**. Agreed.

Representative Bronger moved that the House concur in Senate Floor Amendment No. 3 to **HB 570**. Agreed.

Representative Bronger moved that **HB 570**, as amended by the Senate, be passed.

On the roll call the vote was: Yeas 72, Nays 19. (See March 28, 1988 roll call on **HB 570** - Appendix A.)

HB 570, as amended by the Senate, was passed and the title agreed to.

Representative Bronger moved that the vote by which **HB 570**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

Senate Message

Message received on **HB 12**: The Senate has appointed the following members to serve on a Conference Committee on **HB 12**: Senators Ford, O'Daniel and Trevey.

Message received on **HB 516**: The Senate has appointed the following members to serve on a Conference Committee on **HB 516**: Senators Moloney, Berger, McCuiston and Schmidt.

The Senate has refused to recede from its Committee Substitute and Floor Amendment No. 3 to **HB 516** and is respectfully returning same to this Honorable Body asking for a Conference Committee to be appointed.

Orders of the Day (continued)

HB 658, with Senate Amendment attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Floor Amendment No. 1 to **HB 658** is as follows:

Amend printed copy of **HB 658** on page 2, line 8, after the word "*that*" by inserting the following:

"should the Corps of Engineers and the United States Congress fail to fulfill their responsibility to maintain and operate the Kentucky River locks and dams, and should all efforts on the part of the Commonwealth fail to force the Corps and Congress to fulfill their responsibility, then".

Representative T. Jones moved that the House concur in Senate Floor Amendment No. 1 to **HB 658**. Agreed

Representative T. Jones moved that **HB 658**, as amended by the Senate, be passed.

On the roll call the vote was: Yeas 85, Nays 4. (See March 28, 1988 roll call on **HB 658** - Appendix A.)

HB 658, as amended by the Senate, was passed and the title agreed to.

Representative T. Jones moved that the vote by which **HB 658**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 670, with Senate Amendment attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Floor Amendment No. 1 to **HB 670** is as follows:

Amend printed copy of **HB 670** on page 3, line 22, after the phrase "Section 4." by deleting remainder of Section 4 in its entirety; and

On page 4, line 5, by deleting the phrase "Section 5."

Representative Reinhardt moved that the House concur in Senate Floor Amendment No. 1 to **HB 670**. Agreed

Representative Reinhardt moved that **HB 670**, as amended by the Senate, be passed.

On the roll call the vote was: Yeas 91, Nays 0. (See March 28, 1988 roll call on **HB 670** - Appendix A.)

HB 670, as amended by the Senate, was passed and the title agreed to.

Representative Reinhardt moved that the vote by which **HB 670**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HJR 46, with Senate Amendments attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Floor Amendment No. 1 to **HJR 46** is as follows:

Amend printed copy of **HJR 46** by deleting everything after the title and inserting the following language:

"WHEREAS, Mr. Robert A. Blair served as Chairman of the Board for the First National Bank of Corbin and was a prominent businessman in the area of Corbin, and Mr. Glen Cary served the citizens of the 11th Highway District for eight years as District Engineer and for three years as Chief District Engineer; and

WHEREAS, Mr. Blair was instrumental in negotiation with Pierre DuPont for land which was donated for what is now Cumberland Falls State Park, and Mr. Cary in his tenure as Chief District Engineer of Highway District 11 served the citizens of Bell, Clay, Harlan, Jackson, Knox, Laurel, Leslie, and Whitley Counties; and

WHEREAS, Mr. Blair was a founding member of the Corbin Chamber of Commerce and also promoted tourism through the efforts with the Dixie Highway Association, and Mr. Cary during his tenure oversaw the completion of Daniel Boone Parkway, Interstate 75, the widening of U.S. 25E, completion of U.S. 119, and extension of KY 80 from U.S. 25 to the Pulaski County line; and

WHEREAS, the accomplishments of both these men warrant special recognition by the Kentucky Transportation Cabinet, the Kentucky General Assembly, and the citizens of this Commonwealth.

NOW, THEREFORE,

Be it resolved by the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Secretary of Transportation be directed to rename the Laurel River Access Road, project number SSP-118-8616-016R after the late Robert A. Blair.

Section 2. That the Secretary of Transportation be directed to designate the bridge currently being constructed over Laurel Lake on Laurel Lake Access Road as the "Glen Cary Memorial Bridge".

Section 3. That copies of this resolution be sent to the Governor, the Secretary of the Transportation Cabinet, and the Chief District Engineer of the 11th Highway District."

The Senate Floor Title Amendment No. 2 to **HJR 46** is as follows:

Amend printed copy of **HJR 46** by changing the title to read: "A JOINT RESOLUTION authorizing and directing the Secretary of the Transportation Cabinet to name the Laurel River Access Road in memory of Mr. Robert A. Blair, and the bridge being constructed over Laurel Lake in memory of Mr. Glen Cary."

Representative Siler moved that the House concur in Senate Floor Amendment No. 1 to **HJR 46**. Agreed

Representative Siler moved that **HJR 46**, as amended by the Senate, be passed.

On the roll call the vote was: Yeas 92, Nays 0. (See March 28, 1988 roll call on **HJR 46** - Appendix A.)

HJR 46, as amended by the Senate, was passed.

Representative Siler moved that the House concur in Senate Floor Title Amendment No. 2 to **HJR 46**. Agreed; and the title was agreed to.

Representative Siler moved that the vote by which **HJR 46**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HCR 48, with Senate Amendments attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Committee Amendment No. 1 to **HCR 48** is as follows:

Amend printed copy of **HCR 48** on page 2, line 13, by deleting the word "Co-chairpersons" and inserting in lieu thereof the words "One co-chairperson from each house".

The Senate Floor Amendment No. 2 to **HCR 48** is as follows:

Amend printed copy of **HCR 48** on page 2, line 12 by inserting the following after "Representatives.":

"One (1) member of the task force shall be a member of interim joint committee on banking and insurance."

Representative O'Brien moved that the House concur in Senate Committee Amendment No. 1 to **HCR 48**. Agreed

Representative O'Brien moved that the House refuse to concur in Senate Floor Amendment No. 2 to **HCR 48**. Agreed.

HB 381, with Senate Amendment attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Committee Amendment No. 1 to **HB 381** is as follows:

Amend printed copy of **HB 381** on page 5, line 26, after the word "*children*" by inserting "*due to disability*"

And on page 6, line 8, by deleting the words "*five percent (5%)*" and inserting in lieu thereof "*six percent (6%)*"

And on page 6, lines 10 and 11, by deleting "*by July 1, 1989, and an additional one percent (1%)*"

Representative Burch moved that the House concur in Senate Committee Amendment No. 1 to **HB 381**. Agreed

Representative Burch moved that **HB 381**, as amended by the Senate, be passed.

On the roll call the vote was: Yeas 93, Nays 0. (See , 1988 roll call on **HB 381** - Appendix A.)

HB 381, as amended by the Senate, was passed and the title agreed to.

Representative Burch moved that the vote by which **HB 381**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

The Speaker appointed the following members to serve on a Conference Committee on **HB 516**: Representatives Clarke, Chairman; Worthington, Rapier, Richards and Ford.

HB 856, with Senate Amendments attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Committee Amendment No. 1 to **HB 856** is as follows:

Amend printed copy of **HB 856** on page 10, line 10, after the word "*penalties*" by inserting the following language:

" . However, the Secretary of Revenue shall have the right to waive any penalties or collection fees when it is demonstrated that any deficiency of the taxpayer was not due to negligence, intentional disregard of rules and regulations, or fraud.

And on line 10, by deleting the words "*and shall not be discretionary.*"

The Senate Committee Amendment No. 2 to **HB 856** is as follows:

Amend printed copy of **HB 856** on page 12, beginning on line 1, after the number "(4)" by deleting lines 1 through 9 in their entirety; and

On line 10, by deleting the number "(5)".

On page 13, line 4, by adding the following sentence after the ".": "*No person will be personally and individually liable pursuant to this section who had no authority in the management of the business, or financial affairs of the corporation at the time that the taxes imposed by this Chapter become or became due.*"

On line 23, by adding the following sentence after the ".": "*No person will be personally and individually liable pursuant to this section who had no authority in the management of the business, or financial affairs of the corporation at the time that the taxes imposed by this Chapter become or became due.*"

Representative Mack moved that the House concur in Senate Committee Amendment No. 1 to **HB 856**. Agreed

Representative Mack moved that the House concur in Senate Committee Amendment No. 2 to **HB 856**. Agreed.

Representative Mack moved that **HB 856**, as amended by the Senate, be passed.

On the roll call the vote was: Yeas 84, Nays 10. (See March 28, 1988 roll call on **HB 856** - Appendix A.)

HB 856, as amended by the Senate, was passed and the title agreed to.

Representative Mack moved that the vote by which **HB 856**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 906, with Senate Amendments attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Committee Amendment No. 1 to **HB 906** is as follows:

Amend printed copy of **HB 906** on page 7, line 11, by adding thereafter "Section 7. Whereas sections of this Act pertain to county budgets which are adopted on July 1, an emergency is declared to exist and Sections 4, 5 and 6 of this Act shall take effect when approved by the General Assembly and signed by the Governor."

The Senate Committee Amendment No. 2 to **HB 906** is as follows:

Amend printed copy of **HB 906** on page 1, by adding the words "*and declaring an emergency*" before the period in the title of the Act.

Representative Arnold moved that the House concur in Senate Committee Amendment No. 1 to **HB 906**. Agreed

Representative Arnold moved that the House concur in Senate Committee Amendment No. 2 to **HB 906**. Agreed.

Representative Arnold moved that **HB 906**, as amended by the Senate, be passed.

On the roll call the vote was: Yeas 55, Nays 28. (See March 28, 1988 roll call on **HB 906** - Appendix A.)

HB 906, as amended by the Senate, was passed and the title agreed to.

Representative Arnold moved that the vote by which **HB 906**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

A Conference Committee Report was filed on **HB 516**.

Representative Stumbo moved that **SB 284** and **SB 285** be recommitted to the Committee on Banking and Insurance. Agreed.

SB 42, with Floor Amendment attached thereto, taken from the Orders of the Day and ordered read at length for the third time. Representative Stumbo moved that it be read by title only and placed upon its passage. Agreed by a majority of members elected.

Representative Hancock moved the adoption of Floor Amendment No. 1 to **SB 42**. Agreed.

Representative White moved that **SB 42**, as amended, be passed.

On the roll call the vote was: Yeas 90, Nays 3. (See March 28, 1988 roll call on **SB 42** - Appendix A.)

SB 42, as amended, was passed and the title agreed to.

Representative White moved that the vote by which **SB 42**, as amended, was passed be reconsidered and said motion be placed on the table. Agreed.

Representative Stumbo moved that **SB 353** be recommitted to the Committee on Business Organizations and Professions.

Representative Stumbo moved that the House refuse to recede from its Amendment to **SB 201**. Agreed.

The Speaker appointed the following members to serve on a Conference Committee on **SB 201**:

Representatives Deskins, Chairman; Adkins and Preston.

Representative Clarke moved that the Conference Committee Report on **HB 516** requesting a Free Conference be adopted. Agreed.

The Speaker announced the appointment of the previously appointed members of the Conference Committee to the Free Conference Committee on **HB 516**.

Representative Cyrus moved that **HB 919** be recommitted to the Committee on Labor and Industry. Agreed.

Representative Overstreet moved that **HB 948** be recommitted to the Committee on Judiciary-Civil. Agreed.

HB 665, with Senate Amendments attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Committee Amendment No. 1 to **HB 665** is as follows:

Amend printed copy of **HB 665** on page 6 beginning on line 10, by deleting the phrase "*three and eighty-five hundredth (3.85)*"; and, inserting in lieu thereof "*two and eighty-five hundredth (2.85)*"; and,

On line 19, by deleting the date "*March 31, 1993*"; and, inserting in lieu thereof "*June 30, 1990*".

The Senate Committee Amendment No. 2 to **HB 665** is as follows:

Amend printed copy of **HB 665** on page 28, beginning on line 18, by deleting "Section 14." in its entirety in lieu thereof the following language:

"Section 14. KRS 138.221 is amended to read as follows:

(1) (a) For the purpose of assuring adequate, economical, and stable supplies of fuel-grade alcohol for the use and benefit of residents and motorists in this state; to preserve and stimulate the existing fuel-grade alcohol industry; and to encourage the establishment and growth of new fuel-grade alcohol facilities, the cabinet is hereby authorized to establish and make available from the revenues collected pursuant to KRS 138.220, a fuel-grade alcohol credit fund, and to use the fund, for and on behalf of the Commonwealth, to partially offset the operating costs of those fuel-grade alcohol producers that contribute to the economy of this state, by participating in and subsidizing the market costs for fuel-grade alcohol offered for sale in this state in the manner and form hereinafter provided; and

(b) Any dealer in gasoline shall receive a credit for each gallon of fuel-grade alcohol, or fuel-grade alcohol contained in a gasoline-alcohol blend, which is blended or purchased by a dealer and on which the tax imposed by KRS 138.220 is due and payable, except as otherwise provided in subsection (6) of this section. The credit shall be in the amount specified in subsection (2) of this section [~~for two (2) annual periods beginning on July 1, 1986, and ending on June 30, 1988~~]. Any such credit shall be reduced by the same amount per gallon as any increase per gallon in the federal excise tax exemption for alcohol fuels effective on the date of such increase.

(2) *Effective July 1, 1988, [The] the total amount of the credit authorized [in any annual period] by subsection (1) of this section shall not exceed thirteen million five hundred thousand dollars (\$13,500,000) for the annual period ending on June 30, 1989; and five million five hundred thousand dollars (\$5,500,000) for the six-month period beginning July 1, 1989 and ending December 31, 1989 [twenty-one million dollars (\$21,000,000)] and the per gallon credit to a dealer shall be:*

(a) [~~Thirty-five cents (35) for~~] *For each gallon of fuel-grade alcohol certified to a dealer or a dealer's supplier by a licensed alcohol producer to have been distilled within Kentucky, thirty cents (30) during the annual period ending on June 30, 1989, and twenty cents (20) for the six-month period beginning July 1, 1989 and ending December 31, 1989;*

(b) [~~Twenty-five cents (25) for~~] *For each gallon of fuel-grade alcohol certified to a dealer or a dealer's*

supplier by a licensed alcohol producer to be qualified for the credit pursuant to subsection (3) of this section, *fifteen cents (15) during the annual period ending on June 30, 1989; and fifteen cents (15) during the six-month period beginning July 1, 1989 and ending December 31, 1989;*

(c) Provided that, within ninety (90) days after the end of each annual period the cabinet shall determine if the total credits authorized pursuant to paragraph (a) plus paragraph (b) of this subsection have exceeded *thirteen million five hundred thousand dollars (\$13,500,000) for the annual period ending on June 30, 1989, or five million five hundred thousand dollars (\$5,500,000) for the six-month period beginning July 1, 1989 and ending December 31, 1989* ~~twenty-one million dollars (\$21,000,000)]~~. If such limit has been exceeded, the cabinet shall further determine the amount of such excess, if any, by which the credits authorized pursuant to paragraph (a) of this subsection have exceeded *seven and one-half million dollars (\$7,500,000) for the annual period ending on June 30, 1989, or two million five hundred thousand dollars (\$2,500,000) for the six-month period beginning July 1, 1989* ~~eight and one-half million dollars (\$8,500,000)]~~ and by which the credits authorized pursuant to paragraph (b) of this subsection have exceeded *six million dollars (\$6,000,000) for the annual period ending June 30, 1989, or three million dollars (\$3,000,000) for the six-month period beginning July 1, 1989 and ending December 31, 1989* ~~twelve and one-half million dollars (\$12,500,000)]~~. The cabinet shall assess the amount of each such excess credit, if any, as a reimbursement excise tax to the licensed alcohol producer certifying the fuel-grade alcohol to a dealer or a dealer's supplier in respect of which the excess credit was claimed. The reimbursement excise tax shall be payable within thirty (30) days from the date of assessment and shall be collectible in the manner and form prescribed for taxes assessed pursuant to KRS 138.220;

(d) The cabinet shall maintain during each annual period a cumulative monthly record of all credits authorized pursuant to paragraphs (a) and (b) of this subsection and shall upon request report the status of such record to licensed alcohol producers.

(3) The fuel-grade alcohol or gasoline-alcohol blend eligible for the credit authorized by this section shall be limited to alcohol distilled within this state and region, except as provided by paragraphs (a) and (b) of this subsection. For purposes of this section "distilled within this state and region" shall include alcohol distilled at a plant located in this state or in a bordering state, employing residents of this state to the extent of one-third (1/3) of its total work force, and purchasing one-half (1/2) of its annual requirements of grain or coal from producers within this state:

(a) If the cabinet certifies that another state provides an exemption, credit, or refund from that state's motor fuel excise tax or sales tax that is applicable to fuel-grade alcohol, or a gasoline-alcohol blend which contains fuel-grade alcohol distilled in Kentucky, and if the distiller in the other state otherwise meets the requirements of this section and secures the license provided in subsection (7) of this section, then the alcohol distilled in the other state shall be eligible for the credit provided in subsection (2)(b) of this section to the extent that this credit would be allowed by such other state; and

(b) Under no circumstances shall the per gallon value of the credit for alcohol distilled in the other state, as provided by paragraph (a) of this subsection, exceed the per gallon value of the credit for fuel-grade alcohol provided in subsection (2)(b) of this section.

(4) Every dealer claiming a credit authorized by this section shall file his claim as a supplement to the dealer report required by KRS 138.240. The claim shall be made under oath or affirmation on forms the cabinet may prescribe of the total number of gallons of fuel-grade alcohol upon which a credit is claimed and the total amount of the credit claimed. The claim shall include the following information:

(a) An itemized statement of the total number of gallons of fuel-grade alcohol, or fuel-grade alcohol contained in gasoline-alcohol blends, upon which a credit is claimed, showing the date of receipt of each shipment, the name and address of the licensed alcohol producer or supplier of each shipment, the invoice number, the point of origin, the point of destination, the quantity of each purchase or shipment, the method of transportation, and the name and address of the carrier; and if blended by the dealer with received gasoline, the date and place of blending and such details of the sale, distribution or use of the gasoline-alcohol blend as the cabinet may require;

(b) A written certification from a licensed alcohol producer confirming that the fuel-grade alcohol supplied by it to the dealer, or to the dealer's supplier, was distilled by a licensed alcohol producer in conformity with the requirements of this section and is qualified for the credit authorized by subsection (2)(a) or (2)(b) of this section; and

(c) The dealer shall also furnish such other information relating to the purchase, receipt, inventory, transportation, sale, distribution, exchange or use of fuel-grade alcohol or gasoline-alcohol blends as the cabinet may require.

(5) Upon determination by the cabinet of a dealer's right to receive the credit authorized by this section, the credit shall be determined by multiplying the number of gallons of fuel-grade alcohol for which the credit is claimed by the appropriate amount as provided under subsection (2)(a) or (2)(b) of this section. The credit shall be applicable to the dealer's tax liability under KRS 138.220 for the following month but under no circumstances shall the credit exceed the dealer's tax liability for such month. Any residual credit may be carried over to the following month.

(6) (a) The credit provided in this section shall not apply to gasoline-alcohol blend delivered to storage facilities of persons qualifying, under the provisions of KRS 138.341, 138.344, 138.445, and 138.662, for a refund of the tax paid pursuant to the provisions of KRS 138.210 to 138.340;

(b) The revenue cabinet may require the dealer to report such information as is necessary to administer the provisions of this subsection;

(c) Refunds due under the provisions of KRS 138.341, 138.344, 138.445, and 138.662 for tax paid pursuant to the provisions of KRS 138.210 to 138.340 on gasoline-alcohol blend dispensed from storage facilities serving both persons qualifying and not qualifying for the refund due, shall be reduced by the amount of the credit provided for in this section;

(d) Notwithstanding the provisions of any other section to the contrary, the cabinet may require persons applying for a refund under the provisions of KRS 138.341, 138.344, 138.445 and 138.662 to furnish the cabinet such information as is necessary to administer the provisions of this subsection; and

(e) The credit provided in this section shall not be allowed in respect of any fuel-grade alcohol improperly certified to a dealer or a dealer's supplier by a licensed alcohol producer, and any such certification which is fraudulent shall constitute cause for the suspension, revocation, cancellation or refusal to renew the license authorized by subsection (7) of this section;

(7) (a) Any distiller who desires to qualify fuel-grade alcohol distilled by it for purposes of this section shall procure a license and post bond pursuant to regulations prescribed by the cabinet. No such license shall be granted:

1. Unless the cabinet has determined to its satisfaction that the aggregate present and proposed operations and activities of the licensee in this state will significantly assist in providing adequate, economical, and stable supplies of fuel-grade alcohol to dealers in this state and will tend to directly or indirectly confer measurable investment, trade, employment, or other economic or market benefits upon this state;

2. Unless the distillery owned or operated by the licensee is regulated by the United States; and

3. Unless, as a condition precedent for the grant of such license, the licensee shall agree to subject itself to the jurisdiction of this state for the purpose of paying all taxes required by law and filing such reports and permitting such audits of its records and inspection of its premises as the cabinet may prescribe;

(b) Such licensee shall also post and keep in force a continuous surety bond, issued by a surety authorized to do business in this state and approved by the cabinet. The bond shall be in the amount of not less than fifty thousand dollars (\$50,000), or such greater amount as may be fixed from time to time by the cabinet having due regard to the quantity of fuel-grade alcohol supplied by the licensee and eligible for credit in this state, and shall be conditioned upon the faithful compliance by the licensee with the requirements of law and with all regulations of the cabinet. No bond shall be required if the distillery of the licensee is located entirely within this state;

(c) Upon the grant of any annual license pursuant to this subsection the licensee shall pay a regulatory license fee to the cabinet in the amount of ten thousand dollars (\$10,000), for each annual [license] period ending June 30, 1989, and five thousand dollars (\$5,000) for the six-month period ending December 31, 1989, [which shall commence on July 1 and end on June 30 of each year]. No annual license fee shall be required if the distillery of the licensee is located within this state; and

(d) The cabinet may revoke, suspend, or cancel the license herein authorized at any time for cause and may for cause refuse to renew any annual license. Any ruling by the cabinet in respect to the refusal to grant such license or the revocation, cancellation, or suspension thereof shall be made by written notice and shall constitute a final ruling of the cabinet for all purposes.

(8) Every licensed alcohol producer selling or distributing fuel-grade alcohol to dealers or dealers' suppliers in this state shall file a report with the cabinet on or before the twenty-fifth day of each month in respect of the production, sale, use, distribution and exchange of fuel-grade alcohol during the immediately preceding calendar month. The report shall be made under oath or affirmation on such forms as the cabinet may prescribe of the total number of gallons of fuel-grade alcohol sold, used, distributed or exchanged and certified by it to dealers or dealers' suppliers in this state as qualified for the credit authorized by this section. The report shall include the following information:

(a) An itemized statement of the total number of gallons of fuel-grade alcohol sold or distributed to dealers or dealers' suppliers in this state or exchanged with another licensed alcohol producer, showing the date of each shipment, the name and address of the dealer or dealer's supplier, or, if exchanged, the name and address of the licensed alcohol producer, the invoice number, the point of origin, the point of destination, the quantity of each purchase, shipment or exchange, the method of transportation, and the name and address of the carrier;

(b) A copy of the written certification furnished by the licensed alcohol producer confirming that the fuel-grade alcohol supplied by it to the dealer, or to the dealer's supplier, was distilled by a licensed alcohol producer in conformity with the requirements of this section and is qualified for the credit authorized by subsection (2)(a) or (2)(b) of this section; and

(c) The licensed alcohol producer shall also furnish such other information relating to the production, purchase, receipt, inventory, transportation, sale, distribution, exchange or use of fuel-grade alcohol or gasoline-alcohol blends, if any, as the cabinet may require.

The Senate Floor Amendment No. 3 to **HB 665** is as follows:

Amend printed copy of **HB 665** on page 4, line 13, by deleting after the "1989" the ", or" and inserting in lieu thereof an underscored ";

On page 5, line 2, by deleting after the "1989" the ", or" and inserting in lieu thereof an underscored ";

Representative Worthington moved that the House concur in Senate Committee Amendment No. 1 to **HB 665**. Agreed

Representative Worthington moved that the House refuse to concur in Senate Committee Amendment No. 2 to **HB 665**.

On the roll call the vote was yeas 69-Adams, Allen, Altman, Ballard, Barrows, Blevins, Bronger, J. Brown, Bruce, Callahan, Casebier, Castleman, P. Clark, Clarke, Curd, Donnermeyer, Farrow, Ford, Freibert, Geveden, Gray, Hancock, Handy, J. Harper, K. Harper, Hatcher, Heleringer, Hourigan, Johnson, A. Jones, R. Jones, T. Jones, Keith, Kerr, Lefevers, Little, Long, Lundergan, Lyne, Mack, Maggard, Mason, McBee, Meyer, Moberly, Morris, Napier, Nett, Noe, Noland, Northup, O'Brien, Pritchett, Reinhardt, Richards, B. Richardson, Ridley, Riner, Robinson, Scorsone, Seum, Siler, B. Smith, R. Smith, Strong, Stumbo, Turner, Walker, Worthington. Nays 28-Adkins, Ark, Arnold, Blandford, M. Brown, Burch, L. Clark, Cline, Crupper, Cyrus, Deskins, Gedling, Gregory, Guenther, Jackson, Layman, Lear, LeMaster, Lile, McElroy, Overstreet, Preston, Priddy, Rapier, P. Richardson, Todd, Will, Yates.

The motion that the House refuse to concur in Senate Committee Amendment No. 2 to **HB 665** was adopted.

Representative Worthington moved that the House refuse to concur in Senate Floor Amendment No. 3 to **HB 665**. Agreed.

Representative Stumbo moved that the rules be suspended for Introduction of Resolutions. Agreed.

Introduction of Resolutions

HR 200, by Representative Ackerson: A RESOLUTION adjourning in honor of The Women's Club of St. Matthews.

HR 201, by Representative Ford: A RESOLUTION honoring Osa Alexander upon her Ninetieth Birthday.

HR 202, by Representatives B. Smith and Richards: A RESOLUTION honoring Warren East High School Boys' Basketball Team upon its successful 1987 - 88 season.

HR 203, by Representatives LeMaster and Arnold: A RESOLUTION honoring John Radjunas.

HR 204, by Representative B. Smith: A RESOLUTION honoring Warren East High School Girls' Basketball Team upon their successful 1987 - 88 season.

HR 205, by Representative Freibert: A RESOLUTION congratulating Lexington Catholic High School on being State winners of the National Bicentennial Competition on the Constitution and Bill of Rights.

HR 206, by Representatives Cyrus and J. Brown: A RESOLUTION adjourning in honor of Charles H. Head.

HR 207, by Representative Jackson: A RESOLUTION recommending that the Interim Joint Committee on Labor and Industry consider the need for community right-to-know ordinances, statutes or regulations.

HR 208, by Representative Cline: A RESOLUTION requesting that the Vanceburg water supply project be given high priority for federal funding.

Representative Keith moved that the rules be suspended to act upon a Legislative Citation. Agreed.

Representative Keith moved the adoption of Legislative Citation No. 126. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby congratulates and applauds Cindy Begley of the Leslie County High School Academic Team for your outstanding performance in the Governors Cup competition. As **FIRST PLACE WINNERS** in the Future Problem Solving competition, you have the honor of representing Kentucky in Ann Arbor, Michigan June 12-15 in International Future Problem Solving competition. This achievement has brought a great deal of pride to your school and the House of Representatives takes this opportunity to commend you on your dedication to academic excellence and wishes you every success in your future academic endeavors. (Sponsored by Representative Keith)

Representative Cline moved that the rules be suspended to act upon a Resolution. Agreed.

Representative Cline moved the adoption of the following **HR 208**:

HR 208. A RESOLUTION requesting that the Vanceburg water supply project be given high priority for federal funding.

WHEREAS, Vanceburg utilities has applied for funding from the Appalachian Regional Commission (ARC), to allow it to dig a new well, to improve storage and to extend its lines to residents along State Highway 8 outside of the city; and

WHEREAS, the residents who would receive service under this project now depend on private wells and cisterns; and

WHEREAS, recent tests found that the water from many of the wells and cisterns contain bacteria, making it unsafe to drink; and

WHEREAS, the residents along Kentucky 8 have petitioned for water service; and

WHEREAS, the likelihood that this project will receive funding from the ARC depends, to a great extent, on the priority it is given in the state request to that agency;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Governor and the Department of Local Government are urged to give high priority, in requesting Appalachian Regional Commission (ARC) funds, to the Vanceburg water supply project.

Section 2. That the Clerk is directed to send a copy of this resolution to the Governor and to Commissioner Bill Patrick of the Department of Local Government.

HR 208 was adopted by voice vote.

Representative Meyer moved that the rules be suspended to act upon a Resolution. Agreed.

Representative Meyer moved the adoption of the following **HR 193**:

HR 193, A RESOLUTION requesting the Department for Mental Health-Mental Retardation Services to study and make recommendations about the problem of mentally ill persons being held in local jails.

WHEREAS, mentally ill persons are frequently held in jail while awaiting an evaluation of such persons mental health status by a qualified mental health professional; and

WHEREAS, mentally ill persons are also being confined in jail, throughout the state, pending a preliminary or final hearing before a judge for purposes of involuntary hospitalization; and

WHEREAS, mentally ill persons should receive treatment in a therapeutic environment;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Department for Mental Health-Mental Retardation Services, Cabinet for Human Resources is requested to study the problem of mentally ill persons being held in local jails, particularly those held pending a preliminary or final hearing for consideration of involuntary hospitalization under the provisions of KRS Chapter 202A.

Section 2. That the Department is requested to consult with the following groups, associations or agencies while conducting the study: the Kentucky Association of Sheriffs, the Kentucky Jailers Association, the Administrative Office of the Courts, the Kentucky Mental Health Association, the District Judges Association, the Society for Clinical Social Workers, the Kentucky Psychological Association, the Kentucky Hospital Association, the Kentucky Medical Association, and consumer advocacy groups such as the Kentucky Alliance for the Mentally Ill.

Section 3. That the Department is requested to report to the Legislative Research Commission by July 1, 1989 its study findings and any recommendations regarding the number and geographic location of mentally ill persons being held in local jails, the factors contributing to the confining of mentally ill persons in jail, and specific actions which would need to be taken to solve this problem and any cost related thereto.

HR 193 was adopted by voice vote.

Representative Callahan moved the rules be suspended to act upon a Legislative Citation. Agreed.

Representative Callahan moved the adoption of Legislative Citation No. 125. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby honors and recognizes Ester Bell for your enthusiasm and thirty-five years of dedicated service to the principles and goals of the Democratic Party. You have served as a member of the Kenton County Democratic Executive Committee, and in the State Democratic Women's Club as a Member at Large, Third-Vice President, Fourth District Director and First and Second Associate Director.

The House of Representatives commends you, Ester Bell, for your leadership, service and unfailing civic dedication and applauds you as an outstanding citizen of Kenton County. (Sponsored by Representative Callahan)

Representative Farrow moved the rules be suspended to act upon a Legislative Citation. Agreed.

Representative Farrow moved the adoption of Legislative Citation No. 132. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby recognizes and applauds Harry G. "Gippie" Graham volunteer coordinator of the Central Kentucky Caucus for the 1988 legislative session of the General Assembly. We gratefully acknowledge the fine job you have done and the fact that you have given so freely of your time and your talents. Not only are you an outstanding citizen and educator, but an individual who has devoted himself to a healthy lifestyle by exercising regularly. Therefore, we are happy to bestow upon you an eighteen month fitness center membership at the Frankfort YMCA, in grateful appreciation for your profound and sincere service to the Central Kentucky Caucus. (Sponsored by Representative Farrow)

Representative LeMaster moved that the rules be suspended to act upon a Resolution. Agreed.

Representative LeMaster moved the adoption of the following **HR 203**:

HR 203, A RESOLUTION honoring John Radjunas.

WHEREAS, John Radjunas is Assistant Principal of Montgomery County High School in Mt. Sterling, Kentucky; and

WHEREAS, John Radjunas has faithfully served the young people of Kentucky, having taught, coached and worked in the administrative capacity for sixteen years; and

WHEREAS, John Radjunas has served as Executive Secretary of the Kentucky High School Coaches Association for the past nine years; and

WHEREAS, John Radjunas officially resigned from his position as Executive Secretary of the Kentucky High School Coaches Association on March 1, 1988;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House of Representatives hails John Radjunas and commends him for his invaluable service and dedication to the citizens of the Commonwealth.

Section 2. That the Clerk of the House of Representatives is directed to send a copy of this resolution to Mr. Wilson Sears, Principal, Bourbon County High School, 3343 Lexington Road, Paris, Kentucky, 40361.

HR 203 was adopted by voice vote.

Representative Strong moved that the rules be suspended to act upon a Resolution. Agreed.

Representative Strong moved the adoption of the following **HR 168**:

HR 168. A RESOLUTION recognizing the Buckhorn High School Wildcats basketball team.

WHEREAS, the Buckhorn High School boys' basketball team is representing the 14th Region at the 71st Boys' State Tournament; and

WHEREAS, the Buckhorn Wildcats, pride of Perry County, are small in number but big in heart; and

WHEREAS, the 14th Region champions are taking a 25-8 record and a 12-game winning streak to the Sweet Sixteen; and

WHEREAS, the Buckhorn Wildcats had to beat a strong Knott County Central team on its home court in overtime to win the 14th Region final;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. The House of Representatives congratulates the Buckhorn High School Wildcats boys' basketball team on its accomplishments and the example they have set to all high school basketball teams who have not yet made it to the Sweet Sixteen.

Section 2. Copies of this resolution be sent to Coach John Paul Amis and Principal D. Pat Wooten for distribution to the team, assistant coaches and managers.

HR 168 was adopted by voice vote.

Representative J. Harper moved the rules be suspended to act upon a Legislative Citation. Agreed.

Representative J. Harper moved the adoption of Legislative Citation No. 127. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby recognizes the valuable services of Julie Hackworth, a University of Kentucky legislative intern for the 1988 regular session of the General Assembly. You have provided invaluable assistance to Representative John Harper, in performing tasks from tracking bills and working with numerous constituents on a variety of issues, to performing necessary legislative housekeeping duties. As a political science student, you have had the opportunity to put your classroom experience to a real test by working first hand with your lawmakers and observing the operations of the legislative branch.

This prestigious body recognizes your dedication and devotion to your duties and knows that the knowledge you have gained through this experience will benefit you for many years to come as you will be an informed member of society. We thank you for a job well done. (Sponsored by Representative J. Harper)

Representative Cyrus moved that the rules be suspended to act upon a Resolution. Agreed.

Representative Cyrus moved the adoption of the following **HR 206**:

HR 206. A RESOLUTION adjourning in honor of Charles H. Head.

WHEREAS, Charles H. Head has faithfully and devotedly represented the needs of the men and women who toil in the coalfields of the Commonwealth; and

WHEREAS, Charles H. Head served for more than thirty (30) years as the lobbyist for the United Mine Workers in the Commonwealth; and

WHEREAS, Charles H. Head has fought valiantly and successfully for improvements in health and safety conditions in the coal mines of the Commonwealth; and

WHEREAS, the coal miners in the Commonwealth have benefited greatly from the efforts and achievements of Charles H. Head especially in the area of pensions and workers' compensation; and

WHEREAS, Charles H. Head has performed his responsibilities with the highest degree of integrity, honesty and fairness; and

WHEREAS, even in the face of diversity, the easy manner and sense of humor of Charles H. Head were always present, admired and appreciated; and

WHEREAS, Charles H. Head is greatly admired and respected by his colleagues, and the members of the House of Representatives;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the members of this august body do hereby commend Charles H. Head for his many years of service to the coal miners of the Commonwealth.

Section 2. That the members of the House of Representatives do proclaim their heartfelt affection and warmest wishes to Charles H. Head.

Section 3. That when the House of Representatives does adjourn this day, Monday, March 28, 1988, it does so in honor and recognition of Charles H. Head.

Section 4. That the Clerk of the House of Representatives is directed to transmit a copy of this resolution to Charles H. Head.

HR 206 was adopted by voice vote.

Representative Ford moved that the rules be suspended to act upon a Resolution. Agreed.

Representative Ford moved the adoption of the following **HR 201**:

HR 201. A RESOLUTION honoring Osa Alexander upon her Ninetieth Birthday.

WHEREAS, Osa Alexander of Stearns, Kentucky, has been a loved and valued member of her community; and

WHEREAS, Osa Alexander will be ninety years of age on April 23, 1988;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House of Representatives extends warmest birthday wishes to Osa Alexander on April 23, 1988.

Section 2. That the Clerk of the House of Representatives is directed to transmit a copy of this resolution to Ms. Linda Jones Clark, 107 Westfield, Richmond, Kentucky, 40475.

HR 201 was adopted by voice vote.

Representative Jackson moved that the rules be suspended to act upon a Resolution. Agreed.

Representative Jackson moved the adoption of the following **HR 207**:

HR 207. A RESOLUTION recommending that the Interim Joint Committee on Labor and Industry consider the need for community right-to-know ordinances, statutes or regulations.

WHEREAS, the federal Occupational Safety and Health Administration promulgated a federal hazard communication (right-to-know) standard to cover the manufacturing sector; and

WHEREAS, the federal courts ordered expansion of the federal hazard communication standard to other industries outside the manufacturing sector; and

WHEREAS, the federal hazard communication does not protect citizens residing in communities in which hazardous substances are utilized or through which such substances are transported; and

WHEREAS, states, cities and counties across the nation are assessing the need for and adopting appropriate ordinances, statutes or regulations which require notification of citizens and local and state officials regarding the use of or transportation of hazardous substances within or across their borders; and

WHEREAS, the existence of effective community right-to-know ordinances, statutes or regulations might avert a catastrophe in which citizens are seriously injured or killed;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Interim Joint Committee on Labor and Industry consider the existence of and need for community right-to-know ordinances statutes or regulations in the Commonwealth.

Section 2. That the Interim Joint Committee on Labor and Industry conduct such consideration of the subject of community right-to-know during its regular interim activities.

Section 3. That a copy of this resolution be sent to the co-chairmen of the Interim Joint Committee on Labor and Industry.

HR 207 was adopted by voice vote.

Representative Casebier moved that the rules be suspended to act upon a Resolution. Agreed.

Representative Casebier moved the adoption of the following **HR 196**:

HR 196. A RESOLUTION adjourning in honor of Kathy Adams.

WHEREAS, Kathy Adams is the Assistant Principal of Frost Middle School in Louisville, Kentucky; and

WHEREAS, Kathy Adams exemplifies the dedication, professionalism and high standards that all members of her vocation seek to achieve; and

WHEREAS, her devotion to and expertise in the field of education is witnessed by her years of service and endless hours of work;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House of Representatives commends Kathy Adams for her exemplary service in the field of education.

Section 2. That warmest regards and appreciation be extended to Kathy Adams.

Section 3. That when the House of Representatives adjourns this day, Friday, March 25, 1988, it does so in honor of Kathy Adams.

Section 4. That the Clerk of the House of Representatives is directed to transmit a copy of this resolution to Ms. Kathy Adams, c/o Frost Middle School, 13700 Sand Ray Boulevard, Louisville, Kentucky, 40272.

HR 196 was adopted by voice vote.

Representative Cline moved that the Rules be suspended for the purpose of making a motion concerning co-sponsors. Agreed.

Representative Cline moved that all properly filed co-sponsor requests be approved. Agreed.

The following members filed requests to have their names added as co-sponsors of Bills and Resolutions:

HR 195, Representative L. Clark; **HB 204**, Representative J. Brown; **HB 934**, Representative Noe.

The following member filed a request to have his name withdrawn as co-sponsor of the following Bill:

HB 1022, Representative(s) Keith.

Representative Casebier moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Casebier moved that he be recorded as voting "yea" on **SB 37**. Agreed.

Representative Ford moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Ford moved that he be recorded as voting "yea" on **SB 35**. Agreed.

Representative Adkins moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Adkins moved that he be recorded as voting "yea" on Floor Amendment No. 2 to **SB 329**. Agreed.

Representative Robinson moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Robinson moved that he be recorded as voting "yea" on **SB 286**. Agreed.

Representative Keith moved the rules be suspended for the purpose of recording votes. Agreed.

Representative Keith moved that he be recorded as voting "yea" on **SB 99** and **SB 240**. Agreed.

Representative Casebier moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Casebier moved that his vote be changed from "nay" to "yea" on **HB 20**. Agreed.

Representative T. Jones moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative T. Jones moved that he be recorded as voting "yea" on **HB 249**. Agreed.

Representative Stumbo moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Stumbo moved that his vote be changed from "nay" to "yea" on Floor Amendment No. 3 to **SB 29**. Agreed.

Representative Castleman moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Castleman moved that he be recorded as voting "yea" on **SB 324**. Agreed.

Representative Ford moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Ford moved that his vote be changed from "nay" to "yea" on **SR 67**. Agreed.

Representative Ridley moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Ridley moved that he be recorded as voting "yea" on **SB 275**. Agreed.

Representative Robinson moved the rules be suspended for the purpose of recording votes. Agreed.

Representative Robinson moved that he be recorded as voting "yea" on **SCR 69** and **SB 42**. Agreed.

Representative Rapier moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Rapier moved that he be recorded as voting "yea" on **SB 336**. Agreed.

Representative Todd moved the rules be suspended for the purpose of recording votes. Agreed.

Representative Todd moved that his vote be changed from "nay" to "yea" on **HB 20** and **HB 665**. Agreed.

Representative Strong moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Strong moved that he be recorded as voting "yea" on **SB 163**. Agreed.

Representative Strong moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Strong moved that his vote be changed from "nay" to "yea" on **SCR 83**. Agreed.

Representative Deskins moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Deskins moved that he be recorded as voting "yea" on **HR 186**. Agreed.

Representative Callahan moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Callahan moved that his vote be changed from "nay" to "yea" on **SJR 65**. Agreed.

Representative Guenthner moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Guenthner moved that his vote be changed from "nay" to "yea" on **SB 333**. Agreed.

Representative Callahan moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Callahan moved that he be recorded as voting "yea" on **SB 306**. Agreed.

Representative Deskins moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Deskins moved that his vote be changed from "nay" to "yea" on Senate Amendment No. 2 to **HB 665**. Agreed.

Representative Stumbo moved that no other business be conducted on this day other than Senate Messages, Recess and Adjournment. Agreed.

Representative Stumbo moved that when the House adjourns, it do so by voice vote.

Representative Stumbo moved that when the House adjourns, it do so until 10:00 a.m., Tuesday, March 29, 1988. Agreed.

Recess

Representative Stumbo moved that the House recess for one hour. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Senate Message

Announcing the passage of **HB 591** with Senate Amendment, **HB 809** with Senate Amendment, **HB 896** with Senate Amendments, **HB 929** with Senate Amendment, **HB 700** and **HB 814**.

Announcements

The Clerk announced the filing of the following Floor Amendments to Bills and Resolutions:

Floor Amendment No. 3 to Committee Substitute to **SB 280**, by Representative Yates:

Amend printed copy of **SB 280** on page 1, following the enacting clause, to delete all remaining language and to insert in lieu thereof:

"Section 1. KRS 527.020 is amended to read as follows:

(1) A person is guilty of carrying a concealed weapon when he carries concealed a firearm or other deadly weapon on or about his person.

(2) Peace officers, when necessary for their protection in the discharge of their official duties; United States mail carriers when actually engaged in their duties; and agents and messengers of express companies, when necessary for their protection in the discharge of their official duties, may carry concealed weapons on or about their person.

(3) Policemen directly employed by state, county, city or urban-county governments may carry concealed deadly weapons on or about their person at all times within the Commonwealth of Kentucky, when expressly authorized to do so by the government employing the officer.

(4) *Justices and judges of the court of justice, may carry concealed deadly weapons on or about their person at all times within the Commonwealth of Kentucky.*

(5) A deadly weapon shall not be deemed concealed on or about the person if it is located in a glove compartment, regularly installed in a motor vehicle by its manufacturer regardless of whether said compartment is locked, unlocked, or does not have a locking mechanism.

(6) ~~(5)~~ Carrying a concealed weapon is a Class A misdemeanor unless the defendant has been previously convicted of a felony in which a deadly weapon was possessed, used or displayed in which case it is a Class D felony."

Floor Title Amendment No. 4 to **SB 280**, by Representative Yates:

Amend printed copy of **SB 280** on page 1, by amending the Title to read as follows: "AN ACT relating to crimes and punishments."

Adjournment

Representative Stumbo moved that the House adjourn until 10:00 a.m., Tuesday, March 29, 1988.

The motion that the House adjourn until 10:00 a.m., Tuesday, March 29, 1988 was adopted by voice vote.

TUESDAY, MARCH 29, 1988

FIFTY-FIFTH LEGISLATIVE DAY

The House was called to order by Speaker Blandford.

Prayer by Reverend K. L. Moore, First Baptist Church, Frankfort.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All members present.

Representative McElroy moved that the reading of the Journal of March 28, 1988 be dispensed with and the same approved. Agreed.

A Conference Committee Report was filed on **HB 12**.

Senate Message

Announcing the passage of **HB 13** with Senate Amendment, **HB 81** with Senate Amendments, **HB 203** with Senate Committee Substitute, **HB 220** with Senate Committee Substitute, **HB 317** with Senate Amendment, **HB 319** with Senate Amendment, **HB 458** with Senate Amendment, **HB 520** with Senate Amendments, **HB 527** with Senate Amendment, **HB 543** with Senate Amendment, **HB 571** with Senate Committee Substitute, **HB 583** with Senate Amendment, **HB 584** with Senate Amendment, **HB 587** with Senate Amendment, **HB 629** with Senate Amendment, **HB 655** with Senate Amendments, **HB 678** with Senate Amendment, **HB 703** with Senate Amendments, **HB 715** with Senate Amendments, **HB 716** with Senate Amendment, **HB 764** with Senate Amendments, **HB 808** with Senate Amendments, **HB 835** with Senate Amendment, **HB 872** with Senate Amendment, **HB 907** with Senate Amendment, **HB 910** with Senate Amendments, **HB 928** with Senate Amendment, **HB 939** with Senate Amendments, **HB 963** with Senate Amendment, **HB 987** with Senate Amendment, **HB 992** with Senate Amendment, **HB 1017** with Senate Committee Substitute, **HJR 81** with Senate Amendments, **HCR 92** with Senate Amendment, **HB 22**, **HB 49**, **HB 76**, **HB 85**, **HB 176**, **HB 232**, **HB 233**, **HB 280**, **HB 455**, **HB 473**, **HB 490**, **HB 501**, **HB 507**, **HB 534**, **HB 555**, **HB 557**, **HB 559**, **HB 561**, **HB 566**, **HB 593**, **HB 605**, **HCR 116**, **HJR 122**, **HCR 131**, **HB 609**, **HB 618**, **HB 620**, **HB 621**, **HB 623**, **HB 627**, **HB 688**, **HB 695**, **HB 707**, **HB 708**, **HB 720**, **HB 725**, **HB 735**, **HB 747**, **HB 750**, **HB 756**, **HB 771**, **HB 791**, **HB 838**, **HB 840**, **HB 841**, **HB 842**, **HB 843**, **HB 852**, **HB 857**, **HB 861**, **HB 883**, **HB 889**, **HB 902**, **HB 920**, **HB 935**, **HB 937**, **HB 959**, **HB 961**, **HB 976**, **HB 977**, **HB 989**, **HB 1011**, **HCR 64**, **HJR 70**, **HCR 109** and **HCR 114**.

Message received on **HB 516**: The Senate has appointed following members to serve on a Free Conference Committee on **HB 516**: Senators Moloney, Berger, McCuiston and Schmidt.

Report on Enrolled Bills

The Committee on Enrollment reported **HB 224**, **HB 225**, **HB 314**, **HB 405**, **HB 472**, **HB 574**, **HB 700**, **HB 712**, **HB 777**, **HB 792**, **HB 802**, **HB 814**, **HB 853**, **HB 984**, **HB 1008**, **HCR 110** and **HJR 126** had been examined and found correctly enrolled. Said Bills and Resolutions read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate. (Time - 11:07 a.m.)

HB 224, **HB 225**, **HB 314**, **HB 405**, **HB 472**, **HB 574**, **HB 700**, **HB 712**, **HB 777**, **HB 792**, **HB 802**, **HB 814**, **HB 853**, **HB 984**, **HB 1008**, **HCR 110** and **HJR 126** delivered to the Senate, signed by the President. Ordered delivered to the Governor.

Introduction of Resolutions

HR 209, by Representatives Blevins, Adkins, Scorsone, Arnold, Noland, Lefevers, J. Harper, Worthington, M. Brown, Cline, Freibert, Kerr and Callahan: A RESOLUTION honoring Dr. A. D. Albright.

Orders of the Day

Representative Stumbo moved that the rules be suspended to act upon a Resolution. Agreed.

Representative Blevins moved the adoption of the following **HR 209**:

HR 209. A RESOLUTION honoring Dr. A. D. Albright.

WHEREAS, Dr. A. D. Albright is considered the "Dean of Kentucky Higher Education"; and

WHEREAS, this reputation is well deserved considering the leadership he has displayed in the many important positions he has held over the years; and

WHEREAS, most recently, as President, he stabilized Morehead State University and reversed its trend of declining enrollment; and

WHEREAS, he also strengthened Morehead's relationship with its service region and secured the largest corporate gift ever received by the institution; and

WHEREAS, Dr. Albright has been President of Northern Kentucky University, Acting President of the University of Kentucky, and Executive Director of the Council on Higher Education;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House of Representatives extends its gratitude to Dr. A. D. Albright for his service to Morehead State University and honors him for the leadership and spirit that he has bestowed upon higher education in Kentucky throughout his career.

Section 2. That a copy of this resolution be sent to Dr. A. D. Albright and also to the office of Public Affairs at Morehead State University.

HR 209 was adopted by voice vote.

Representative Blevins moved the rules be suspended to act upon a Legislative Citation. Agreed.

Representative Blevins moved the adoption of Legislative Citation No. 128. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby congratulates and applauds DR. A. D. ALBRIGHT for your outstanding contributions to Higher Education. Over the years your leadership as president of Northern Kentucky University, acting president of the University of Kentucky and Executive Director of the Council on Higher Education, as well as president of Morehead State University, has earned you the well deserved reputation as the considered Dean of Kentucky Higher Education. While at Morehead you not only strengthened its relationship with its service region and secured the largest corporate gift ever received by the institution, but also stabilized and reversed its trend of declining enrollment.

The House of Representatives joins Representative Walter Blevins in honoring you for your contributions to the many young people whose lives you have touched and influenced throughout your career.

HB 173, with Senate Amendments attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Committee Amendment No. 1 to **HB 173** is as follows:

Amend printed copy of **HB 173** on page 4, after line 21, insert the following:

"Section 2. KRS 376.080 is amended to read as follows:

(1) Any lien provided for in KRS 376.010 shall be dissolved unless the claimant, within six months after he ceases to labor or furnish materials, files in the office of the county clerk of the county in which the building or improvement is situated a statement of the amount due him, with all just credits and set-offs known to him, together with a description of the property intended to be covered by the lien sufficiently accurate to identify it, the name of the owner, if known, and whether the materials were furnished or the labor performed by contract with the owner or with a contractor or subcontractor. This statement shall be subscribed and sworn to by the person claiming the lien or by someone in his behalf. *The claimant shall send by regular mail a copy of the statement to the property owner at his last known address within seven (7) days of filing the statement with the county clerk. Any lien provided for in KRS 376.010 shall be dissolved if a copy of the statement is not sent to the property owner as provided in this subsection.*

(2) The county clerk shall endorse upon each statement the date of its filing, and shall make an abstract of the statement in a book to be kept by him for that purpose, properly endorsed and indexed, containing the date of filing, the name of the person seeking to enforce the lien, the amount claimed, the name of the person against whose property the lien is filed, and a description of the property charged with the lien. The clerk shall receive a fee pursuant to KRS 64.012 from the person filing the statement as full compensation, which shall be taxed and collected as other costs.

Section 3. KRS 382.365 is amended to read as follows:

(1) A holder of a lien on real property, *including a lien provided for in KRS 376.010*, shall release the lien in the county clerk's office where the lien is recorded within thirty (30) days from the date of satisfaction.

(2) A proceeding may be filed in circuit court against a lienholder that violates subsection (1) of this section. A proceeding filed under this section shall be given precedence over other matters pending before the court.

(3) Upon proof of satisfaction of the lien being introduced, the court may enter a judgment releasing the lien. A lienholder that violates subsection (1) of this section shall also be liable to the owner of the real property for fifty dollars (\$50.00) and any actual expense including a reasonable attorney's fee incurred by the owner in securing the release of real property by such violation. The judgment shall be with costs including reasonable attorneys' fees.

(4) The former holder of a lien on real property shall send by regular mail a copy of the lien release to the property owner at his last known address within seven (7) days of the release. A former lienholder that violates this subsection shall be liable to the owner of the real property for fifty dollars (\$50.00) and any actual expense incurred by the owner in obtaining documentation of the lien release."

The Senate Committee Amendment No. 2 to **HB 173** is as follows:

Amend printed copy of **HB 173** on page 1, amend the TITLE to read as follows:

"AN ACT relating to liens."

Representative Kerr moved that the House concur in Senate Committee Amendment No. 1 to **HB 173**. Agreed

Representative Kerr moved that **HB 173**, as amended by the Senate, be passed.

On the roll call the vote was: Yeas 64, Nays 18. (See March 29, 1988 roll call on **HB 173** - Appendix A.)

HB 173, as amended by the Senate, was passed.

Representative Kerr moved that the House concur in Senate Committee Amendment No. 2 (Title) to **HB 173**. Agreed; and the title was agreed to.

Representative Kerr moved that the vote by which **HB 173**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

Representative Stumbo moved the rules be suspended to act upon a Legislative Citation. Agreed.

Representative Priddy moved the adoption of Legislative Citation No. 130. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby congratulates and applauds MICHELLE BURDEN of Southern High School Lady Trojans for your record-setting performance in winning the 27th Girls State Basketball Tournament held at the Farnham Dudgeon Civic Center in Frankfort. This prestigious title has been a result of much hard work and a positive team effort and bring well deserved recognition to you, your school and your community. Your contributions to the Lady Trojans have been significant and will be long remembered.

The House of Representatives joins Representative Dottie Priddy in honoring the Lady Trojans as the Sweet Sixteen Champions for 1988.

HB 87, with Senate Amendments attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Committee Amendment No. 1 to **HB 87** is as follows:

Amend printed copy of **HB 87** on page 10, by deleting lines 1 through 26 in their entirety

And also on page 11, by deleting lines 1 through 14 in their entirety

The Senate Floor Amendment No. 3 to **HB 87** is as follows:

Amend printed copy of **HB 87** on page 11, after line 14, insert the following:

"Section 7. KRS 403.210 is amended to read as follows:

In a proceeding for dissolution of marriage, legal separation, maintenance, or child support, the court may order either or both parents owing a duty of support to a child of the marriage to pay an amount reasonable or necessary for his support, without regard to marital misconduct, after considering all relevant factors including:

(1) The financial resources of the child;

(2) The financial resources of the custodial parent;

(3) The standard of living the child would have enjoyed had the marriage not been dissolved;

(4) The physical and emotional condition of the child, and his educational needs *including educational needs of a child who has attained the age of eighteen (18) years or older and who is enrolled on a full-time basis in high school*; and

(5) The financial resources and needs of the noncustodial parent."

The Senate Floor Title Amendment No.2 to **HB 87** is as follows:

Amend printed copy of **HB 87** by amending the Title to read as follows:

"AN ACT relating to children."

Representative Burch moved that the House concur in Senate Committee Amendment No. 1 to **HB 87**. Agreed

Representative Burch moved that the House concur in Senate Floor Amendment No. 3 to **HB 87**. Agreed.

Representative Burch moved that **HB 87**, as amended by the Senate, be passed.

On the roll call the vote was: Yeas 78, Nays 2. (See March 29, 1988 roll call on **HB 87** - Appendix A.)

HB 87, as amended by the Senate, was passed.

Representative Burch moved that the House concur in Senate Floor Amendment No. 2 (Title) to **HB 87**. Agreed; and the title was agreed to.

Representative Burch moved that the vote by which **HB 87**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 484, with Senate Amendment attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Committee Amendment No. 1 to **HB 484** is as follows:

Amend printed copy of **HB 484** on page 1, lines 13 through 21, by deleting all the language thereon; and

On page 2, lines 1 through 17, by deleting all the language thereon; and

On line 18, by changing "SECTION 3" to "SECTION 2"; and renumber the following sections accordingly; and

On page 11, line 3, after the "(8)" by deleting the word "*Direct*" and capitalizing the word "*supervision*"; and

On page 12, line 17, by inserting after the word "castrating" the following: "*food*"; and

On line 20, by inserting after the word "of" the following: "*any animal*" and by placing brackets around and striking through the word "animals"; and

On page 13, line 26, by inserting after the word "castrating" the following: "*food animals*".

The Senate Floor Amendment No. 2 to **HB 484** is as follows:

Amend printed copy of **HB 484** by deleting in its entirety the change affecting the words "*Direct*" and "*supervision*" and by substituting therefor the following:

"On page 11, line 3, by deleting all the language after the "(8)"; and

On line 4, by deleting the "(9)"; and

On line 9, by changing the "(10)" to "(9)".

Representative Crupper moved that the House concur in Senate Committee Amendment No. 1 to **HB 484**. Agreed

Representative Crupper moved that the House concur in Senate Floor Amendment No. 2 to **HB 484**. Agreed.

Representative Crupper moved that **HB 484**, as amended by the Senate, be passed.

On the roll call the vote was: Yeas 89, Nays 0. (See March 29, 1988 roll call on **HB 484** - Appendix A.)

HB 484, as amended by the Senate, was passed and the title agreed to.

Representative Crupper moved that the vote by which **HB 484**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 371, with Senate Amendments attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Committee Amendment No. 1 to **HB 371** is as follows:

Amend printed copy of **HB 371** on page 12, line 8, by deleting "*forty-five hundredths percent (2.45%)*" and by substituting therefor "*forty-one hundredths percent (2.41%)*"; and

on page 12, line 11, by deleting "*or*"; and

on page 12, line 12, by deleting "*Kentucky employes retirement system*"; and

on page 12, line 17, by inserting after "*credit*," the following: "*Effective August 1, 1988, a member of the Kentucky employes retirement system covered by this section may elect to receive an annual retirement allowance, payable monthly during his lifetime, equal to two and forty-nine hundredths percent (2.49%) of final compensation for each year of service credit*"; and

on page 95, line 9, by inserting after the word "*to*" the following "*two percent (2%) for the county employes retirement system and one and ninety-one hundredths percent (1.91%) for the Kentucky employes retirement system*" and by deleting "*nine tenths*" and by inserting an opening bracket before "*one*" and by striking through "*one and*"; and

on page 95, line 10, by deleting "*(1.9%)*" and the opening bracket. The Senate Committee Amendment No. 2 to **HB 371** is as follows:

Amend printed copy of **HB 371** on page 97, line 13, by adding after the word "*reduced*" the word "*actuarially*".

Representative Barrows moved that the House refuse to concur in Senate Amendment No. 1 to **HB 371**. Agreed

Representative Barrows moved that the House refuse to concur in Senate Amendment No. 2 to **HB 371**. Agreed

HB 582, with Senate Committee Substitute attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Committee Substitute to **HB 582** is as follows:

HB 582. AN ACT relating to uniform limited partnerships.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

As used in this Act, unless the context otherwise requires, the term:

(1) "*Certificate of limited partnership*" means the certificate referred to in Section 8 of this Act, or the certificate of limited partnership as amended or restated.

(2) "*Contribution*" means any cash, property, services rendered, or a promissory note or other obligation to contribute cash or property or to perform services, which a partner contributes to a limited partnership in

his capacity as a partner.

(3) "Event of withdrawal of a general partner" means an event that causes a person to cease to be a general partner as provided in Section 23 of this Act.

(4) "Foreign limited partnership" means a limited partnership formed under the laws of any state other than this state and having as partners one (1) or more general partners and one (1) or more limited partners.

(5) "General partner" means a person who has been admitted to a limited partnership as a general partner in accordance with the partnership agreement and is named in the certificate of limited partnership as a general partner.

(6) "Limited partner" means a person who has been admitted to a limited partnership as a limited partner in accordance with the partnership agreement.

(7) "Limited partnership" or "domestic limited partnership" means a partnership formed by two (2) or more persons under the laws of this state and having one (1) or more general partners and one (1) or more limited partners.

(8) "Partner" means a limited partner or general partner.

(9) "Partnership agreement" means any valid agreement, written or oral, of the partners as to the affairs of a limited partnership and the conduct of its business.

(10) "Partnership interest" means a partner's share of the profits and losses of a limited partnership and the right to receive distributions of partnership assets.

(11) "Person" means a natural person; partnership; limited partnership, which is either domestic or foreign; trust; estate; association; or corporation.

(12) "State" means a state, territory, or possession of the United States, the District of Columbia or the Commonwealth of Puerto Rico.

SECTION 2. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

The name of each limited partnership as set forth in its certificate of limited partnership:

(1) *Shall contain the word "Limited" or its abbreviation, "Ltd.";*

(2) *Shall not contain the name of a limited partner unless:*

(a) *That name is also the name of a general partner or the corporate name of a corporate general partner;*

or

(b) *The business of the limited partnership had been carried on under that name before the admission of that limited partner; and*

(3) *Shall not be the same as, and shall be distinguishable upon the records of the secretary of state from, the name of any corporation or limited partnership organized under the laws of this state, or licensed or registered as a foreign corporation or foreign limited partnership in this state, or any assumed name which is registered with the secretary of state or a name which at that time is reserved by another person under the laws of this state.*

SECTION 3. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

(1) *The exclusive right to the use of a name may be reserved by:*

- (a) *Any person intending to organize a limited partnership under this Act and to adopt that name;*
- (b) *Any domestic limited partnership or any foreign limited partnership registered in this state which, in either case, intends to adopt that name;*
- (c) *Any foreign limited partnership intending to register in this state and adopt that name; or*
- (d) *Any person intending to organize a foreign limited partnership and intending to have it registered in this state and adopt that name.*

(2) The reservation shall be made by filing with the secretary of state an application, executed by the applicant, to reserve a specified name. If the secretary of state finds that the name is available for use by a domestic limited partnership or foreign limited partnership, it shall reserve the name for the exclusive use of the applicant for a nonrenewable period of one hundred twenty (120) days. The right to the exclusive use of a reserved name may be transferred to any other person by filing with the secretary of state a notice of the transfer, executed by the applicant for whom the name was reserved and specifying the name and address of the transferee.

SECTION 4. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

Each limited partnership shall continuously maintain in this state:

- (1) *An office which may, but need not be, a place of its business in this state, at which shall be kept the records required by Section 5 of this Act to be maintained; and*
- (2) *An agent for service of process on the limited partnership, which agent shall be an individual resident of this state, a domestic corporation, or a foreign corporation authorized to do business in this state.*

SECTION 5. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

(1) Each limited partnership shall keep, at the office referred to in subsection (1) of Section 4 of this Act, the following records:

- (a) *A current list of the full names and last known business, residence or mailing addresses of all partners, separately identifying in alphabetical order the general partners and the limited partners;*
- (b) *A copy of the certificate of limited partnership and all certificates of amendment thereto, together with executed copies of any powers of attorney pursuant to which any certificate was executed;*
- (c) *Copies of the limited partnership's federal, state and local income tax returns and reports, if any, for the three (3) most recent years;*
- (d) *Copies of any then effective written partnership agreement and of any financial statements of the limited partnership for the three (3) most recent years; and*
- (e) *Unless contained in a written partnership agreement, a writing setting out:*

- 1. *The amount of cash and a description and statement of the agreed value of the other property or services contributed by each partner and which each partner has agreed to contribute;*
- 2. *The times at which, or events upon the happening of which, any additional contributions agreed to be made by each partner are to be made;*
- 3. *Any right of a partner to receive distributions, or of a general partner to make distributions to a partner, that includes a return of all or any part of the partner's contribution; and*
- 4. *Any events upon the happening of which the limited partnership is to be dissolved and its affairs wound up.*

(2) Records kept under this section may be inspected and copied during ordinary business hours at the reasonable request, and at the expense, of any partner.

SECTION 6. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

A limited partnership may carry on any business that a partnership without limited partners may carry on.

SECTION 7. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

Except as provided in the partnership agreement, a partner may lend money to, and transact other business with, the limited partnership and, subject to other applicable law, shall have the same rights and obligations with respect thereto as a person who is not a partner.

SECTION 8. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

(1) In order to form a limited partnership, a certificate of limited partnership shall be executed and filed with the secretary of state. The certificate shall be in the form prescribed by the secretary of state and shall set forth:

(a) The name of the limited partnership;

(b) The address of the office and the name and address of the agent for service of process required to be maintained by Section 4 of this Act;

(c) The name and the business address of each general partner;

(d) A mailing address for the limited partnership;

(e) The latest date upon which the limited partnership is to dissolve; and

(f) Any other matters the general partners determine to include therein.

(2) A limited partnership shall be formed at the time of the filing of the certificate of limited partnership with the secretary of state or at any later time specified in the certificate of limited partnership, which shall be a date certain and shall not be later than the ninetieth day after the date it is filed, if, in either case, there has been substantial compliance with the requirements of this section.

SECTION 9. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

(1) A certificate of limited partnership may be amended by filing a certificate of amendment with the secretary of state. The certificate of amendment shall be in the form prescribed by the secretary of state and shall set forth:

(a) The name of the limited partnership;

(b) The date of filing the certificate of limited partnership; and

(c) The amendment to the certificate of limited partnership.

(2) (a) Within thirty (30) days after the happening of any of the following events, an amendment to a certificate of limited partnership reflecting the occurrence of the event or events, shall be filed:

1. The admission of a new general partner;

2. The withdrawal of a general partner;

3. *The continuation of the business under Section 44 of this Act after an event of withdrawal of a general partner;*

4. *A change in name of the limited partnership; or*

5. *A change in the address of the office or the name or address of the agent for service of process required to be maintained by Section 4 of this Act.*

(b) A general partner who becomes aware that any statement in a certificate of limited partnership was false when made, or that any arrangements or other facts described in the certificate have changed, making the certificate inaccurate in any respect, shall promptly amend the certificate.

(c) A certificate may be amended at any time for any other proper purpose the general partners determine.

(3) If an amendment to a certificate is filed within the thirty (30) day period referred to in subsection (2) of this section, no person shall be liable because the amendment was not filed earlier.

(4) Unless otherwise provided in this Act or in the certificate of amendment, a certificate of amendment shall be effective at the time of its filing with the secretary of state.

(5) A limited partnership may, if desired, integrate into a single instrument all of the provisions of its certificate of limited partnership which are then in effect and operative as a result of filing with the secretary of state one (1) or more certificates of amendment and it may, at the same time, further amend its certificate of limited partnership.

(6) If the restated certificate of limited partnership merely restates and integrates, but does not further amend the certificate of limited partnership as theretofore amended, it shall be specifically designated in its heading as a "restated certificate of limited partnership." If the restated certificate restates and integrates and also further amends in any respect the certificate of limited partnership as theretofore amended, it shall be specifically designated in its heading as an "amended and restated certificate of limited partnership". A restated, or amended and restated, certificate of limited partnership shall be executed and filed in the same manner as a certificate of amendment.

(7) Upon the filing of a restated, or amended and restated, certificate of limited partnership with the secretary of state, or upon its future effective date or time as provided for therein, the initial certificate of limited partnership, as amended, shall be superseded. Thereafter, the restated certificate of limited partnership, including further amendments made thereto, shall be the certificate of limited partnership of the limited partnership.

SECTION 10. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

A certificate of limited partnership shall be canceled upon the dissolution and the completion of winding up of the partnership or at any other time there are no limited partners. A certificate of cancellation shall be in the form prescribed by the secretary of state and shall be filed with the secretary of state and shall set forth:

(1) The name of the limited partnership;

(2) The date of filing of the certificate of limited partnership;

(3) The reason for filing the certificate of cancellation; and

(4) Any other information the general partners filing the certificate of cancellation determine to include therein.

SECTION 11. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

(1) Each certificate required by this Act to be filed with the secretary of state shall be executed in the following manner:

(a) *An original certificate of limited partnership signed by all general partners;*

(b) *A certificate of amendment, signed by at least one (1) general partner and by each other general partner designated in the certificate as a new general partner; and*

(c) *A certificate of cancellation, signed by all general partners.*

(2) *Any person may sign a certificate of limited partnership, certificate of amendment or certificate of cancellation by an attorney-in-fact, but a power of attorney to sign a certificate of amendment relating to the admission of a general partner shall specifically describe the admission.*

(3) *The execution of a certificate of limited partnership, certificate of amendment or certificate of cancellation by a general partner shall constitute an affirmation under the penalties of perjury that the facts stated therein are true.*

SECTION 12. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

If a person required by Section 11 of this Act to execute a certificate of limited partnership, certificate of amendment or certificate of cancellation fails or refuses to do so, any other person who is adversely affected by the failure or refusal may petition the circuit court to direct the execution of the certificate. If the court finds that it is proper for the certificate to be executed and that any person so designated has failed or refused to execute the certificate, the court shall order the secretary of state to record an appropriate certificate.

SECTION 13. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

(1) *One (1) signed copy and two (2) exact or conformed copies of the certificate of limited partnership, any certificate of amendment, certificate of cancellation, other certificate authorized to be filed by any party under this Act or any court order relating thereto shall be delivered to the secretary of state. It shall not be necessary for a person who executes a certificate as an agent or fiduciary to exhibit evidence of his authority as a prerequisite to filing.*

(2) *Unless the secretary of state finds that a certificate does not conform to law, upon receipt of the filing fees provided for in subsection (4) of this section, the secretary of state shall:*

(a) *Endorse on each copy the word "filed" and the day, month, and year of the filing thereof;*

(b) *File the original copy in its office; and*

(c) *Return the other two (2) copies to the person who filed it or his representative who shall record one (1) copy of the certificate in the office of the county clerk in which the office referred to in Section 4 of this Act is located.*

(3) *Upon the filing or effective date of a certificate of amendment or court order of amendment with the secretary of state, the certificate of limited partnership shall be amended as set forth in the certificate of amendment or court-ordered certificate of amendment; and, upon the filing or effective date of a certificate of cancellation or a court order of cancellation, the certificate of limited partnership shall be canceled.*

(4) *The secretary of state shall receive a fee of forty dollars (\$40) for the filing of each certificate.*

SECTION 14. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

If a certificate of limited partnership, certificate of amendment or certificate of cancellation contains a false statement, a person who suffers loss by reliance on that statement may recover damages for the loss from:

(1) *Any person who executed the certificate, or caused another to execute it on his behalf, and knew, and any general partner who knew or should have known, the statement to be false at the time the certificate was executed; and*

(2) Any general partner who thereafter knows or should have known that any arrangement or other fact described in the certificate has changed, making the statement inaccurate in any material respect, within a sufficient time before the statement was relied upon reasonably to have enabled that general partner to cancel or amend the certificate or to file a petition for its cancellation or amendment pursuant to Section 12 of this Act.

SECTION 15. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

The fact that a certificate of limited partnership is on file with the secretary of state shall constitute notice that the partnership is a limited partnership and the persons designated therein as general partners are general partners, but shall not constitute notice of any other fact.

SECTION 16. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

Upon the return by the secretary of state pursuant to Section 13 of this Act of a certificate marked "filed," the general partners shall deliver or mail a copy of the certificate of limited partnership and each certificate of amendment or certificate of cancellation to each limited partner unless the partnership agreement provides otherwise.

SECTION 17. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

(1) A person shall become a limited partner on the later of:

(a) The date the original certificate of limited partnership is filed; or

(b) At any later date specified in the records of the limited partnership as the date that person shall become a limited partner.

(2) After the filing of a limited partnership's original certificate of limited partnership, a person may be admitted as an additional limited partner:

(a) In the case of a person acquiring a partnership interest directly from the limited partnership, upon compliance with the partnership agreement or, if the partnership agreement does not so provide, upon the written consent of all partners; and

(b) In the case of an assignee of a partnership interest of a partner who has the power, as provided in Section 42 of this Act, to grant the assignee the right to become a limited partner, upon the exercise of that power and compliance with any conditions limiting the grant or exercise of the power.

SECTION 18. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

Subject to Section 19 of this Act, the partnership agreement may grant to all or a specified group of the limited partners the right to vote, with or without the concurrence of the general partners, on a per capita or any other basis on any matter and may make any appropriate provision for the exercise of such voting right.

SECTION 19. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

(1) Except as provided in subsection (4) of this section, a limited partner shall not be liable for the obligations of a limited partnership unless he is also a general partner or, in addition to the exercise of his rights and powers as a limited partner, he participates in the control of the business. However, if the limited partner participates in the control of the business, he shall be liable only to persons who transact business with the limited partnership reasonably believing, based upon the limited partner's conduct, that the limited partner is a general partner.

(2) A limited partner shall not participate in the control of the business within the meaning of subsection (1) solely by doing one (1) or more of the following things:

(a) Being a contractor for, or an agent or employe of, the limited partnership or of a general partner

or being an officer, director, or shareholder of a general partner that is a corporation;

(b) Consulting with or advising a general partner with respect to the business of the limited partnership;

(c) Acting as surety, guarantor or endorser for the limited partnership, guaranteeing or assuming one (1) or more specific obligations of the limited partnership or providing collateral for the limited partnership;

(d) Taking any action required or permitted by law to bring or pursue a derivative action in the right of the limited partnership;

(e) Requesting, attending or participating in a meeting of partners;

(f) Proposing, approving, or disapproving, by voting or otherwise, one (1) or more of the following matters:

1. The dissolution and winding up of the limited partnership;

2. The sale, exchange, lease, mortgage, assignment, pledge, or other transfer of, or granting of a security interest in, all, or substantially all, of the assets of the limited partnership;

3. The incurrence, renewal, refinancing, payment or other discharge of indebtedness by the limited partnership other than in the ordinary course of its business;

4. A change in the nature of the business;

5. The admission or removal of a general partner;

6. The admission or removal of a limited partner;

7. A transaction involving an actual or potential conflict of interest between a general partner and the limited partnership or the limited partners;

8. An amendment to the partnership agreement or certificate of limited partnership; and

9. A matter related to the business of the limited partnership not otherwise enumerated in this subsection which the partnership agreement states in writing is subject to the approval or disapproval of limited partners;

(h) Winding up the limited partnership pursuant to Section 44 of this Act; or

(i) Exercising any right or power permitted to limited partners under this Act and not specifically enumerated in this subsection.

(3) The enumeration in subsection (2) of this section shall not mean that the possession or exercise by a limited partner of any power other than a power enumerated in that subsection constitutes participation by him in the business of the limited partnership.

(4) A limited partner who knowingly permits his name to be used in the name of the limited partnership, except under a circumstance permitted by subsection (2) of Section 2 of this Act, shall be liable to creditors who extend credit to the limited partnership without actual knowledge that the limited partner is not a general partner.

SECTION 20. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

(1) Except as provided in subsection (2) of this section, a person who makes a contribution to a business enterprise and erroneously, but in good faith, believes that he has become a limited partner in the enterprise shall not be a general partner in the enterprise and shall not be bound by its obligations by reason of making the contribution, receiving distributions from the enterprise, or exercising any rights of a limited partner, if, within a reasonable time after ascertaining the mistake he:

(a) Causes an appropriate certificate of limited partnership or a certificate of amendment to be executed and filed; or

(b) Withdraws from future equity participation in the enterprise by executing and filing with the secretary of state a certificate declaring withdrawal under this section.

(2) A person who makes a contribution of the kind described in subsection (1) of this section shall be liable as a general partner to any third party who transacts business with the enterprise before the person withdraws and an appropriate certificate is filed to show withdrawal or before an appropriate certificate is filed to show that the person is not a general partner, but in either case only if the third party actually believed in good faith that the person was a general partner at the time of the transaction.

SECTION 21. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

Each limited partner may:

(1) Inspect and copy any of the partnership records required to be maintained by Section 5 of this Act; and

(2) Obtain from the general partners from time to time, upon reasonable demand, and subject to such reasonable standards as may be set forth in the partnership agreement or otherwise established by the general partners and for any purpose reasonably related to the limited partner's interest as a limited partner:

(a) True and full information regarding the state of the business and financial condition of the limited partnership;

(b) Promptly after becoming available, copies of the limited partnership's federal, state, and local income tax returns for each year; and

(c) Such other information regarding the affairs of the limited partnership as is just and reasonable.

SECTION 22. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

After the filing of a limited partnership's original certificate of limited partnership, additional general partners may be admitted as provided in writing in the partnership agreement or, if the partnership agreement does not provide in writing for the admission of additional general partners, with the written consent of all partners.

SECTION 23. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

Except as approved by the specific written consent of all partners at the time, a person shall cease to be a general partner of a limited partnership upon the happening of any of the following events:

(1) The general partner withdraws from the limited partnership as provided in Section 32 of this Act;

(2) The general partner ceases to be a member of the limited partnership as provided in Section 40 of this Act;

(3) The general partner is removed as a general partner in accordance with the partnership agreement;

(4) Unless otherwise provided in writing in the partnership agreement, the general partner:

(a) Makes an assignment for the benefit of creditors;

(b) Files a voluntary petition in bankruptcy;

(c) Is adjudged a bankrupt or insolvent or has entered against him an order for any relief in any bankruptcy

or insolvency proceeding;

(d) Files a petition or answer seeking for himself any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any statute, law, or regulation;

(e) Files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against him in any proceeding of this nature; or

(f) Seeks, consents to, or acquiesces in the appointment of a trustee, receiver, or liquidator of the general partner or of all or any substantial part of his properties.

(5) Unless otherwise provided in writing in the partnership agreement, one hundred twenty (120) days after the commencement of any proceeding against the general partner seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any statute, law, or regulation, if the proceeding has not been dismissed, or if within ninety (90) days after the appointment without the general partner's consent or acquiescence of a trustee, receiver, or liquidator of the general partner or of all or any substantial part of the general partner's properties, the appointment has not been vacated or stayed, or ninety (90) days after the expiration of any such stay, the appointment has not been vacated.

(6) In the case of a general partner who is a natural person, his death or the entry of an order by a court of competent jurisdiction adjudicating him incompetent to manage his person or his property.

(7) In the case of a general partner who is acting as a general partner by virtue of being a trustee of a trust, upon the termination of the trust, but not merely the substitution of a new trustee.

(8) In the case of a general partner that is a separate partnership, upon the dissolution and commencement of winding up of the separate partnership.

(9) In the case of a general partner that is a corporation, upon the filing of a certificate of dissolution, or its equivalent, for the corporation or the revocation of its certificate of incorporation or its equivalent; or

(10) In the case of a general partner that is an estate, upon the distribution by the fiduciary of the entire interest of the estate in the partnership.

SECTION 24. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

(1) Except as provided in this Act or in the partnership agreement, a general partner of a limited partnership shall have all of the rights and powers, and is subject to all of the restrictions, of a partner in a partnership without limited partners.

(2) Except as provided in this Act, a general partner of a limited partnership shall have all of the liabilities of a partner in a partnership without limited partners to persons other than the partnership and the other partners. Except as provided in this Act or in the partnership agreement, a general partner of a limited partnership shall have all of the liabilities of a partner in a partnership without limited partners to the partnership and to the other partners.

SECTION 25. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

A general partner of a limited partnership may make contributions to the limited partnership and share in the profits and losses of, and in distributions from, the limited partnership as a general partner. A general partner also may make contributions to the limited partnership, and share in the profits and losses of, and distributions from, the limited partnership, as a limited partner. A person who is both a general partner and a limited partner shall have all of the rights and powers, and shall be subject to all of the restrictions and liabilities of a general partner, and, except as provided in the partnership agreement, also shall have all of the powers, and shall be subject to all of the restrictions, of a limited partner to the extent of his participation in the partnership as a limited partner.

SECTION 26. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

The partnership agreement may grant to all, or certain identified general partners or a specified class or group of the general partners, the right to vote on a per capita or any other basis, separately or with all or any class or group of the limited partners or the general partners, on any matter and may make appropriate provision for the exercise of such voting rights.

SECTION 27. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

The contribution of a partner may be in cash, property, or services rendered, or a promissory note or other obligation to contribute cash or property or to perform services.

SECTION 28. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

(1) A promise by a limited partner to contribute to the limited partnership shall not be enforceable unless it is set out in a writing signed by or on behalf of, pursuant to a power of attorney which need not be of record, the limited partner.

(2) Except as provided in the partnership agreement, a partner shall be obligated to the limited partnership to perform any enforceable promise to contribute cash or property or to perform services, even if he is unable to perform because of his death or disability or any other reason. If a partner does not make the required contribution of property or services, he shall be obligated, at the option of the limited partnership, to contribute cash equal to that portion of the value, as stated in the partnership records required to be kept pursuant to Section 5 of this Act, of the stated contribution that has not been made.

(3) Unless otherwise provided in the partnership agreement, the obligation of a partner to make a contribution or return money or other property paid or distributed in violation of this Act may be compromised only by consent of all the partners. Notwithstanding the compromise, a creditor of a limited partnership who extends credit or otherwise acts in reliance upon that obligation after the partner has signed a writing which reflects the obligation, and before the amendment or cancellation of the writing to reflect the compromise, may enforce the original obligation.

SECTION 29. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

The profits and losses of a limited partnership shall be allocated among the partners, and among classes of partners, in the manner provided in writing in the partnership agreement. If the partnership agreement does not so provide in writing, profits and losses shall be allocated on the basis of the value, as stated in the partnership records required to be kept pursuant to Section 5 of this Act, of the contributions made by each partner to the extent they have been received by the partnership and have not been returned.

SECTION 30. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

Distributions of cash or other assets of a limited partnership shall be allocated among the partners, and among classes of partners, in the manner provided in writing in the partnership agreement. If the partnership agreement does not so provide in writing, distributions shall be made on the basis of the value, as stated in the partnership records required to be kept pursuant to Section 5 of this Act, of the contributions made by each partner to the extent they have been received by the partnership and have not been returned.

SECTION 31. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

Except as provided in Section 37 of this Act, a partner shall be entitled to receive distributions from a limited partnership before his withdrawal from the limited partnership and before the dissolution and winding up thereof to the extent and at the times or upon the happening of the events specified in the partnership agreement.

SECTION 32. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

A general partner may withdraw from a limited partnership at any time by giving written notice to the other partners; but if the withdrawal violates the partnership agreement, the limited partnership may recover from the withdrawing general partner, in addition to any other remedies available to it, damages for breach of the partnership agreement and offset the damages against the amount otherwise distributable to him.

SECTION 33. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

A limited partner may withdraw from a limited partnership at the time or upon the happening of an event specified in writing in the partnership agreement. If the partnership agreement does not specify in writing the time or the events upon the happening of which a limited partner may withdraw, or set forth a definite time for the dissolution and winding up of the limited partnership, a limited partner may withdraw upon not less than six (6) months' prior written notice to each general partner at his address as set forth in the certificate of limited partnership.

SECTION 34. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

Except as provided in Section 37 of this Act, upon withdrawal, a withdrawing partner shall receive any distribution to which he is entitled in writing under the partnership agreement. If not otherwise provided in writing in the partnership agreement, he shall receive, within a reasonable time after withdrawal, the fair value of his interest in the limited partnership as of the date of withdrawal based upon his right to share in distributions from the limited partnership.

SECTION 35. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

Except as provided in writing in the partnership agreement:

(1) A partner, regardless of the nature of his contribution, shall not demand or receive any distribution from a limited partnership in any form other than cash.

(2) A partner shall not be compelled to accept a distribution of any asset in kind from a limited partnership to the extent that the percentage of the asset distributed to him exceeds a percentage of that asset which is equal to the percentage in which he shares in distributions from the limited partnership.

SECTION 36. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

At the time a partner becomes entitled to receive a distribution, he shall have the status of, and be entitled to all remedies available to, a creditor of the limited partnership with respect to the distribution.

SECTION 37. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

A partner shall not receive a distribution from a limited partnership to the extent that, after giving effect to the distribution, all liabilities of the limited partnership, other than liabilities to partners on account of their partnership interests, exceed the fair value of the partnership assets.

SECTION 38. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

(1) (a) If a partner receives the return of any part of his contribution without violation of the partnership agreement or this Act, he shall be liable to the limited partnership for a period of one (1) year thereafter for the amount of the returned contribution, without interest, but only to the extent necessary to discharge the limited partnership's liabilities to creditors who extended credit to the limited partnership during the period the contribution was held by the limited partnership.

(b) If a partner receives the return of any part of his contribution in violation of the partnership agreement or this Act, he shall be liable to the limited partnership for a period of six (6) years thereafter for the amount of the contribution, without interest, wrongfully returned.

(2) A partner shall receive a return of his contribution to the extent that a distribution to him reduces his share of the fair value of the net assets of the limited partnership below the value, as set forth in the partnership records required to be kept pursuant to Section 5 of this Act, of his contribution which has not been distributed to him.

SECTION 39. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

A partnership interest shall be personal property.

SECTION 40. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

Unless otherwise provided in the partnership agreement:

- (1) A partnership interest shall be assignable in whole or in part;*
- (2) An assignment of a partnership interest shall not dissolve a limited partnership or entitle the assignee to become or to exercise any rights of a partner;*
- (3) An assignment shall entitle the assignee to receive such distributions, and to receive such allocation of income, gain, loss, deduction or credit or similar item, to which the assignor was entitled, to the extent assigned; and*
- (4) A partner shall cease to be a partner upon the assignment of all of his partnership interest.*

SECTION 41. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

On application to a court of competent jurisdiction by any judgment creditor of a partner, the court may charge the partnership interest of the partner with payment of the unsatisfied amount of the judgment with interest. To the extent so charged, the judgment creditor shall have only the rights of an assignee of the partnership interest. This Act shall not deprive any partner of the benefit of any exemption laws applicable to his partnership interest.

SECTION 42. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

(1) An assignee of a partnership interest, including an assignee of a general partner, may become a limited partner if and to the extent that:

(a) The assignor gives the assignee that right in accordance with the provisions of the partnership agreement;

or

(b) All other partners consent.

(2) An assignee who has become a limited partner shall have, to the extent assigned, the rights and powers, and shall be subject to the restrictions and liabilities, of a limited partner under the partnership agreement and this Act. An assignee who becomes a limited partner also shall be liable for the obligations of his assignor to make and return contributions as provided in Sections 28 and 38 of this Act. However, the assignee shall not be obligated for liabilities unknown to the assignee at the time he became a limited partner and which could not be ascertained from the partnership agreement.

(3) If an assignee of a partnership interest becomes a limited partner, the assignor shall not be released from his liability to the limited partnership under Sections 14 and 28 of this Act.

SECTION 43. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

If a partner who is an individual dies, or a court of competent jurisdiction adjudges a partner who is an individual to be incompetent to manage his person or his property, the partner's executor, administrator, guardian, conservator, or other legal representative may exercise all the partner's rights for the purpose of settling his estate or administering his property, including any power the partner had to give an assignee the right to become a limited partner. If a partner is a corporation, partnership, trust, or other entity and is dissolved or terminated, the powers of that partner may be exercised by its legal representative or successor.

SECTION 44. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

A limited partnership shall be dissolved, and its affairs shall be wound up, upon the happening of the first to occur of the following events:

- (1) *At the time specified in the certificate of limited partnership;*
- (2) *An event specified in writing in the partnership agreement;*
- (3) *The written consent of all partners;*

(4) *An event of withdrawal of a general partner unless at the time there is at least one (1) other general partner and the written provisions of the partnership agreement permit the business of the limited partnership to be carried on by the remaining general partner and that partner does so; but the limited partnership shall not be dissolved and shall not be required to be wound up by reason of any event of withdrawal if, within ninety (90) days after the withdrawal, all partners agree in writing to continue the business of the limited partnership and to the appointment of one (1) or more additional general partners if necessary or desired;*
or

- (5) *The entry of a decree of judicial dissolution under Section 45 of this Act.*

SECTION 45. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

On application by or for a partner, the circuit court for the county in which the certificate of limited partnership is recorded may order dissolution of a limited partnership if it is not reasonably practicable to carry on the business in conformity with the partnership agreement.

SECTION 46. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

Except as otherwise provided in the partnership agreement, the general partners who have not wrongfully dissolved a limited partnership or, if none, the limited partners, may wind up the limited partnership's affairs; but the circuit court for the county in which the certificate of limited partnership is recorded, upon cause shown, may wind up the limited partnership affairs upon application of any partner, his legal representative or assignee.

SECTION 47. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

Upon the winding up of a limited partnership, the assets shall be distributed as follows:

- (1) *To creditors, including partners who are creditors, to the extent permitted by law, in satisfaction of liabilities of the limited partnership, other than liabilities for distributions to partners under this Act;*
- (2) *Except as otherwise provided in the partnership agreement, to partners and former partners in satisfaction of liabilities for distributions under this Act; and*
- (3) *Except as otherwise provided in the partnership agreement, to partners first for the return of their contributions and secondly, respecting their partnership interests, in the proportions in which the partners share in distributions.*

SECTION 48. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

Subject to the Constitution of this state, the laws of the state under which a foreign limited partnership is organized shall govern its organization and internal affairs and the liability of its limited partners; and a foreign limited partnership shall not be denied registration by reason of any difference between those laws and the laws of this state.

SECTION 49. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

A limited partner may bring an action in the right of a limited partnership to recover a judgment in its favor if general partners with authority to do so have refused to bring the action or if an effort to cause those general partners to bring the action is not likely to succeed.

SECTION 50. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

In a derivative action, the plaintiff shall be a partner at the time of bringing the action and either:

(1) At the time of the transaction of which he complains; or

(2) His status as a partner shall have devolved upon him by operation of law or pursuant to the terms of the partnership agreement from a person who was a partner at the time of the transaction.

SECTION 51. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

In a derivative action, the complaint shall set forth with particularity the effort of the plaintiff to secure initiation of the action by a general partner or the reasons for not making the effort.

SECTION 52. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

If a derivative action is successful, in whole or in part, or if anything is received by the plaintiff as a result of a judgment, compromise, or settlement of any action or claim, the court may award the plaintiff reasonable expenses, including reasonable attorney's fees. If anything is so received by the plaintiff, the court shall make the award of plaintiff's expenses payable out of those proceeds and shall direct plaintiff to remit to the limited partnership the remainder. If those proceeds are insufficient to reimburse the plaintiff's reasonable expenses, the court may direct that any award of plaintiff's expenses, or a portion thereof, be paid by the limited partnership.

SECTION 53. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

(1) Before transacting business in this state, a foreign limited partnership shall register with the secretary of state. In order to register, a foreign limited partnership shall submit to the secretary of state one (1) original and one (1) exact or conformed copy of an application for registration as a foreign limited partnership, in the form prescribed by the secretary of state, signed by a general partner and setting forth:

(a) The name of the foreign limited partnership and, if different, the name under which it proposes to register and transact business in this state;

(b) The state and date of its formation;

(c) The name and address of any agent for service of process on the foreign limited partnership. The agent shall be an individual resident of this state, a domestic corporation, or a foreign corporation having a place of business in, and authorized to do business in, this state;

(d) A statement that the secretary of state is appointed the agent of the foreign limited partnership for service of process. If the appointed agent's authority has been revoked or the agent cannot be found or served with the exercise of reasonable diligence;

(e) The address of the office required to be maintained in the state of its organization by the laws of that state or, if not so required, of the principal office of the foreign limited partnership;

(f) The name and the business address of each general partner; and

(g) The address of the office at which is kept a list of the names and addresses of the limited partners and their capital contributions, together with an undertaking by the foreign limited partnership to keep those records until the foreign limited partnership's registration in this state is canceled or withdrawn.

(2) The execution by a general partner of an application for registration as a foreign limited partnership, the execution of a certificate amending the application pursuant to Section 56 of this Act and the execution of a certificate of cancellation pursuant to Section 57 of this Act shall constitute an affirmation under the penalties of perjury that the facts stated there are true.

SECTION 54. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

(1) If the secretary of state finds that an application for registration conforms to law and the filing fee

provided for in subsection (3) of this section has been paid, the secretary of state shall:

- (a) Endorse on each copy of the application the word "Filed" and the day, month, and year of the filing thereof;*
 - (b) File in its office the original copy of the application; and*
 - (c) Return the other copy of the application to the person who filed the application or his representative.*
- (2) The secretary of state shall receive a fee of sixty dollars (\$60) for recording the application for registration and shall receive the same recording fee for an amendment thereto or cancellation thereof.*

SECTION 55. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

A foreign limited partnership may register with the secretary of state under any name whether or not it is the name under which it is registered in its state of organization, that includes the words "Limited" or its abbreviation "Ltd.", and that could be registered by a domestic limited partnership.

SECTION 56. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

If any statement in the application for registration of a foreign limited partnership was false when made, or any arrangements or other facts described in the application have changed making the application false in any respect, the foreign limited partnership shall file with the secretary of state a certificate in the form prescribed by the secretary of state, signed by a general partner, correcting the statement. The certificate shall be effective upon filing with the secretary of state.

SECTION 57. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

- (1) A foreign limited partnership may cancel its registration by filing with the secretary of state a certificate of cancellation in the form prescribed by the secretary of state signed by a general partner. A cancellation shall not terminate the authority of the secretary of state to accept service of process on the foreign limited partnership with respect to causes of action arising out of the transaction of business in this state.*
- (2) The failure of a foreign limited partnership to register in this state shall not impair the validity of any contract, deed, mortgage, security interest, lien, or act of the foreign limited partnership or prevent the foreign limited partnership from defending any action, suit, or proceeding in any court of this state.*
- (3) A limited partner of a foreign limited partnership shall not be liable as a general partner of the foreign limited partnership solely by reason of the partnership's having transacted business in this state without registration.*
- (4) A foreign limited partnership, by transacting business in this state without registration, shall appoint the secretary of state as its agent for service of process with respect to causes of action arising out of the transaction of business in this state.*

SECTION 58. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

The attorney general may bring an action to enjoin a foreign limited partnership from transacting business in this state in violation of Section 53 of this Act.

SECTION 59. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

This Act shall be applied and construed to effectuate its general purpose to make uniform the law with respect to the subject of this Act among states enacting it.

SECTION 60. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

(1) A limited partnership formed under any statute of this state prior to the adoption of this Act, until or unless it becomes a limited partnership under this Act, shall continue to be governed by the provisions of the statute under which it was formed.

(2) A limited partnership formed under any statute of this state prior to the adoption of this Act may elect to become subject to this Act upon the filing of an amended and restated certificate of limited partnership which complies with the provisions of Section 8 of this Act.

(3) Upon the occurrence of any event which would require the filing of a certificate of amendment by a limited partnership under this Act or under the statute under which the limited partnership was formed, the limited partnership shall file an amended and restated certificate of limited partnership which complies with the provisions of Section 8 of this Act.

(4) A limited partnership formed under any statute of this state prior to the adoption of this Act shall not be required to change its name to include the word "Limited" or its abbreviation "Ltd."

SECTION 61. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

In any case not provided for in this Act, the provisions of the Uniform Partnership Act and the rules of law and equity shall govern.

SECTION 62. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

The repeal of any statutory provision by this Act shall not impair, or otherwise affect, the organization or the continued existence of a limited partnership existing on the effective date of this Act, nor does the repeal impair any contract or affect any right accrued before the effective date of this Act.

SECTION 63. A NEW SECTION OF KRS CHAPTER 362 IS CREATED TO READ AS FOLLOWS:

This Act may be cited as the "Kentucky Revised Uniform Limited Partnership Act."

Section 64. KRS 365.015 is amended to read as follows:

(1) The real name of a person shall include his or her surname at birth, or his or her name as changed by a court of competent jurisdiction, or the surname of a married woman; the real name of a domestic general partnership is that name which includes the real name of at least one (1) of the partners; the real name of a domestic limited partnership is that name [given to it in its agreement of limited partnership] and stated in its certificate of limited partnership filed pursuant to KRS Chapter 362 [362.420(1)(a)]; the real name of a domestic business trust is the name set forth in the declaration of trust; and the real name of a domestic corporation is the name set forth in its articles of incorporation. The real name of a foreign general or limited partnership and of a foreign business trust is the name recognized by the laws of the foreign state under which it is formed as being the real name or the fictitious name adopted for use in this state; and the real name of a foreign corporation is the name set forth in its articles of incorporation or the fictitious name adopted for use in this state under KRS 271A.530.

(2) (a) No person, general or limited partnership, business trust or corporation shall conduct or transact business in this state under an assumed name or any style other than his or its real name, as defined in subsection (1) of this section, unless such person, partnership, business trust or corporation has filed a certificate of assumed name;

(b) The certificate shall state the assumed name under which the business will be conducted or transacted, the real name of person, partnership, business trust or corporation and his or its address, including street and number, if any;

(c) A separate certificate shall be filed for each assumed name;

(d) No certificate to be filed with the secretary of state shall set forth an assumed name which is identical or deceptively similar to any other assumed name or any corporate name or any foreign limited partnership name previously filed with the secretary of state unless the certificate is accompanied by the written consent

of the prior holder of the assumed or corporate or partnership name and such word or words are added to the proposed assumed name so as to distinguish it from the previously filed assumed or corporate or partnership name;

(e) The certificate shall be executed and acknowledged for a person, by the person; for a general partnership, by all the partners; for a limited partnership, by a general partner; for a business trust, by the trustees; for a corporation, by its president or vice president and secretary or assistant secretary.

(3) The certificate of assumed name for a person shall be filed with the county clerk of each county wherein business will be conducted or transacted under an assumed name. The certificate of assumed name for a general or limited partnership, business trust or corporation shall be filed with the secretary of state and with the county clerk of each county wherein business will be conducted or transacted under an assumed name.

(4) Upon discontinuing the use of an assumed name, the certificate shall be withdrawn by filing a certificate in the office wherein the original certificate of assumed name was filed. The certificate of withdrawal shall state the assumed name, the real name and address of the party transacting business and the date upon which the original certificate was filed. The certificate of withdrawal shall be signed and acknowledged as required in subsection (2) of this section.

(5) The county clerk shall receive a fee pursuant to KRS 64.012 for filing each certificate, and the secretary of state shall receive a fee of twenty dollars (\$20) for filing each certificate.

Section 65. The following KRS sections are repealed:

362.095 Foreign limited partnership — Requirements for doing business in this state — Name.

362.410 Limited partnership defined.

362.420 Formation — Filing fee.

362.430 Business which may be carried on.

362.440 Character of limited partner's contribution.

362.450 A name not to contain surname of limited partner — Exceptions.

362.460 Liability for false statements in certificate.

362.470 Limited partner not liable to creditors unless he takes part in control of business — Acts that do not constitute control of business.

362.480 Admission of additional limited partners.

362.490 Rights, powers and liabilities of a general partner.

362.500 Rights of a limited partner.

362.510 Status of person erroneously believing himself a limited partner.

362.520 One person both general and limited partner.

362.530 Loans and other business transactions with limited partner.

362.540 Relation of limited partners among themselves.

362.550 Compensation of limited partner.

- 362.560 Withdrawal or reduction of limited partner's contribution.
- 362.570 Liability of limited partner to partnership.
- 362.580 Nature of limited partner's interest in partnership.
- 362.590 Assignment of limited partner's interest.
- 362.600 Effect of retirement, death or insanity of a general partner.
- 362.610 Death of limited partner.
- 362.620 Rights of creditors of limited partner.
- 362.630 Distribution of assets.
- 362.640 When certificate shall be cancelled or amended.
- 362.650 Requirements for amendment and for cancellation of certificate — Filing fee.
- 362.660 Parties to actions.
- 362.670 Name of act.
- 362.680 Rules of construction.
- 362.690 Rules for cases not provided for in KRS 362.410 to 362.700.
- 362.700 Provisions for existing limited partnerships.
- 362.710 Application of KRS 362.420, 362.650 and 365.015.

Representative Ackerson moved that the House concur in Senate Committee Substitute to **HB 582**. Agreed

Representative Ackerson moved that **HB 582**, as amended by the Senate Committee Substitute, be passed.

A.) On the roll call the vote was: Yeas 84, Nays 0. (See March 29, 1988 roll call on **HB 582** - Appendix

HB 582, as amended by the Senate Committee Substitute, was passed and the title agreed to.

Representative Ackerson moved that the vote by which **HB 582**, as amended by the Senate Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 591, with Senate Amendment attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Committee Amendment No. 1 to **HB 591** is as follows:

Amend printed copy of **HB 591** on page 8, line 12, after the word "*KRS*" by deleting the number "*138.660*" and by inserting at that same place the following: "*Chapter 138*"

On page 30, line 21, after the word "gallons." by inserting the following: "*In lieu of the tax refund procedure herein, the tax on special fuels for operating or propelling stationary engines or tractors for agricultural purposes may be credited by the dealer to the purchaser as provided in Section 28 of this Act provided, however, such*"

dealer and such purchases shall be subject to the same rules, conditions and responsibilities as provided in KRS 138.344 to 138.355."

On page 41, line 12, before the word "any" by inserting the following "(1)"

On page 42, line 3, after the word "Commonwealth." by inserting the following: "(2) Any special fuels dealer who delivers special fuels, on which the tax imposed by KRS 138.220 has been paid, into a storage tank for the purpose of operating or propelling stationary engines or tractors for agricultural purposes shall be entitled to claim a credit against the tax due pursuant to KRS 138.220 equal to the tax paid on such fuel, provided the dealer obtains from the purchaser and retains in his files a signed and dated statement from the purchaser certifying that such fuel will be used exclusively for the purpose of operating or propelling stationary engines or tractors for agricultural purposes. No person so certifying shall use such special fuels for any other purpose. The revenue cabinet may require dealers claiming the credit authorized herein to submit such information as may be required by the cabinet to reasonably protect the revenues of the commonwealth."

On page 42, line 7, after the word "138.500" by deleting the word "inclusive" and by inserting at that same place the following: "except KRS 138.463 and 138.4631,"

On page 53, line 10, after the word "refund" by inserting the following: "or credit"

Representative Hancock moved that the House concur in Senate Committee Amendment No. 1 to **HB 591**. Agreed

Representative Hancock moved that **HB 591**, as amended by the Senate, be passed.

On the roll call the vote was: Yeas 61, Nays 24. (See March 29, 1988 roll call on **HB 591** - Appendix A.)

HB 591, as amended by the Senate, was passed and the title agreed to.

Representative Hancock moved that the vote by which **HB 591**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 452, with Senate Amendment attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Committee Amendment No. 1 to **HB 452** is as follows:

Amend printed copy of **HB 452** on page 7, line 23, following the word "juvenile" to add the word "holding"; and

On page 11, lines 14-22, to delete the same and to insert in lieu thereof:

"(43) [(33)] "Secure juvenile detention facility" means any facility used for the secure detention of children other than a jail, police station, lock-up, intermittent holding facility, or any building which is a part of or attached to any facility in which adult prisoners are confined or which shares staff with a facility in which adult prisoners are confined;" and

On page 52, lines 22-26, through page 53, lines 1-18, to delete the same and to insert in lieu thereof:

"(1) Any child who is accused of committing a status or public offense or of being in contempt of court may be detained in a secure juvenile detention facility or juvenile holding facility or, if neither is reasonably available, an intermittent holding facility, for a period of time not to exceed twenty-four (24) hours, exclusive of weekends and holidays.

(2)(a) Within twenty-four (24) hours of the start of the period of detention described in subsection (1) of this section, exclusive of weekends and holidays, a hearing shall be held by the judge or trial commissioner of the court for the purpose of determining whether the child shall be further detained. At the hearing held pursuant

to this subsection, the court shall consider the nature of the offense, the child's background and history, and other information relevant to the child's conduct or condition.

(b) If the court orders the child detained further, such detention shall occur in either a secure juvenile detention facility or a juvenile holding facility pending the child's next court appearance subject to the court's review of the detention order prior to that court appearance.

(c) If the child is not released, the court designated worker shall notify the parent, person exercising custodial control or supervision, a relative, guardian or other responsible adult."; and

On page 53, line 25, following the word "exceed" to add "twenty-four (24)" and to bracket and strike through the words "seventy-two (72)"; and

On page 54, line 4, to delete the words "forty-eight (48)" and to insert "twenty-four (24)"; and

On page 62, lines 14-20, to delete the same and to insert in lieu thereof:

"[(+) Any person who *intentionally* violates any of the provisions of this chapter [~~; other than KRS 610.230;~~] shall be guilty of a Class B misdemeanor.

[(2) Any person who violates KRS 610.230 shall be guilty of a Class A misdemeanor.];" and

On page 122, line 12, following "facility after the" to add "twenty-four (24)" and to bracket and strike through "forty-eight (48)"; and

On page 124, line 12, following "facility" to add "or juvenile holding facility"; and

On page 124, line 23, following "facility" to add "or juvenile holding facility".

On page 179, line 26 through page 180, lines 1-9, to delete the same and to insert in lieu thereof:

"(4) "Secure juvenile detention facility [~~center~~]" means any facility used for the secure detention of children other than a jail, police station, lock-up, intermittent holding facility, or any building which is a part of or attached to any facility in which adult prisoners are confined or which shares staff with a facility in which adult prisoners are confined."

Representative Kerr moved that the House concur in Senate Committee Amendment No. 1 to **HB 452**. Agreed

Representative Kerr moved that **HB 452**, as amended by the Senate, be passed.

On the roll call the vote was: Yeas 82, Nays 9. (See March 29, 1988 roll call on **HB 452** - Appendix A.)

HB 452, as amended by the Senate, was passed and the title agreed to.

Representative Kerr moved that the vote by which **HB 452**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 657, with Senate Committee Substitute attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Committee Substitute to **HB 657** is as follows:

HB 657. AN ACT relating to surface coal mining.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 350.060 is amended to read as follows:

(1) No person shall engage in surface coal mining and reclamation operations without having first obtained from the cabinet a permit designating the area of land affected by the operation. Permits shall authorize the operator to engage in surface coal mining and reclamation operations upon the area of land described in his application for a period of not to exceed five (5) years; provided that if an applicant demonstrates that a specified longer term is reasonably needed to obtain necessary financing for equipment and the opening of the operation and if the application is full and complete for such specified longer term, the cabinet may grant a permit for such longer term. No mining shall be permitted beyond the time period obligations of the initial or extended bond coverage.

(2) [All operators who wish to engage in surface coal mining and reclamation operations and who have a valid permit from the cabinet and who are in expectation of operating such mines after the expiration of eight (8) months from the approval by the secretary of the interior of the permanent regulatory program shall within two (2) months of the effective date of such approval apply for a new permit for such mines in compliance with the requirements of this section. The natural resources and environmental protection cabinet shall establish procedures and programs consistent with this chapter to issue or deny such permits within eight (8) months of such approval. The general assembly finds the fact that, due to the large number of permitted operations within the Commonwealth, the eight (8) month period may be administratively impracticable, and hereby authorizes the secretary to devise procedures to comply with this section in the most expeditious and reasonable manner possible; and a filing shall be deemed timely for the purposes of this subsection and surface coal mining operations may continue under an existing permit if that filing is in substantially complete form and submitted within the time limits set forth herein.

(3) Any permit validly issued by the cabinet under the interim regulatory program in effect on March 21, 1980 and which would expire at any time after May 1, 1980 and before eight (8) months after approval of the permanent regulatory program by the United States secretary of the interior, shall be extended and remain in effect until eight (8) months after approval of the permanent regulatory program. Any interim permit so extended shall continue as a valid existing permit for purposes of this subsection if the permittee so requests and files an application for a permit with the cabinet within two (2) months of the date of approval of the permanent regulatory program. The permittee may conduct operations under that existing permit beyond the eight (8) month period if an application has been filed in accordance with this subsection; but the initial administrative decision has not been rendered.

(4) No permit or revision application shall be approved unless the application affirmatively demonstrates and the cabinet finds in writing on the basis of the information set forth in the application or from information otherwise available, that the permit application is accurate and complete and that all the requirements of this chapter have been complied with.

(3) [(5)] An operator desiring a permit to engage in surface coal mining operations shall file an application which shall state:

(a) The location and area of land to be affected by the operation, with a description of access to the area from the nearest public highways;

(b) The owner or owners of the surface of the area of land to be affected by the permit and the owner or owners of all surface area adjacent to any part of the affected area;

(c) The owner or owners of the coal to be mined;

(d) The source of the applicant's legal right to mine the coal on the land affected by the permit;

(e) The permanent and temporary post-office addresses of the applicant, *which shall be updated immediately if changed at any point prior to final bond release;*

(f) Whether the applicant or any person, partnership or corporation associated with the applicant holds or has held any other permits under this chapter, and an identification of such permits;

(g) *The names and addresses of* [Whether or not the applicant is in compliance with subsection (3) of KRS 350.130 and whether or not] every officer, partner, director, or person performing a function similar

to a director of the applicant, together with the names and addresses of [or] any individual owning of record [or beneficially (alone or with associates)] ten percent (10%) or more of any class of voting stock of the applicant, and whether the applicant or any such person is subject to any of the provisions of subsection (3) of KRS 350.130 and he shall so certify. The permittee shall submit updates of this information as changes occur or as otherwise provided by administrative regulation; however, failure to submit such updated information shall constitute a violation of this chapter only upon the permittee's refusal or failure to timely submit such information to the cabinet upon request. Upon receipt of such updated information satisfactory to the cabinet, the cabinet shall promptly update its computer system containing such information;

(h) A listing of any and all violations of this chapter, Public Law 95-87, and any law, rule or regulation in effect for the protection of air or water resources incurred by the applicant in connection with any surface coal mining and reclamation operation during the three (3) year period prior to the date of an application. Such a list shall indicate the final resolution of the violations; and

(i) Whether the area of land to be affected by the operation has been previously mined and is not in compliance with current reclamation standards, if so then identify the needed reclamation work.

(4)[(6)] The application for a permit shall be accompanied by an official document (and an affidavit attesting to the document's authenticity) which will evidence what particular business entity the applicant is, whether a foreign or domestic corporation, a partnership, an entity doing business as another, or, if sole proprietorship, then an affidavit so stating.

(5)[(7)] The application for a permit shall be accompanied by copies, in numbers satisfactory to the cabinet, of a United States geological survey topographic map or such other map acceptable to the cabinet on which the operator has indicated the location of the operation, the course which would be taken by drainage from the operation to the stream or streams to which such drainage would normally flow, the name of the applicant and date, and the name of the person who located the operation on the map.

(6)[(8)] The application for a permit shall be accompanied by copies, in numbers satisfactory to the cabinet, of an enlarged United States geological survey topographic map or such other map acceptable to the cabinet meeting the requirements of paragraphs (a) to (i) of this subsection. The map shall:

(a) Be prepared and certified by a professional engineer, registered under the provisions of KRS Chapter 322. The certification shall be in the form as provided in subsection (10) of this section, except that the engineer shall not be required to certify the true ownership of property under paragraph (d) of this subsection;

(b) Identify the area to correspond with the application;

(c) Show adjacent deep mining;

(d) Show the boundaries of surface properties and names of owners of the affected area and adjacent to any part of the affected area;

(e) Be of a scale of 1:24,000 or larger;

(f) Show the names, and locations of all streams, creeks, or other bodies of public water, roads, buildings, cemeteries, oil and gas wells, and utility lines on the area of land affected and within five hundred (500) feet of such area;

(g) Show by appropriate markings the boundaries of the area of land affected, the cropline of the seam or deposit of coal to be mined, and the total number of acres involved in the area of land affected;

(h) Show the date on which the map was prepared, the north point and the quadrangle name; and

(i) Show the drainage plan on and away from the area of land affected. Such plan shall indicate the directional flow of water, constructed drainways, natural waterways used for drainage, and the streams or tributaries receiving the discharge.

(7)[(9)]. Each application shall include a determination of the probable hydrologic consequences of the

mining and reclamation operations, both on and off the mine site, with respect to the hydrologic regime, quantity and quality of water in surface and groundwater systems, including the dissolved and suspended solids under seasonal flow conditions and the collection of sufficient data for the mine site and surrounding areas so that an assessment can be made by the cabinet of the probable cumulative impacts of all anticipated mining in the area upon the hydrology of the area and particularly upon water availability; provided, however, that this determination shall not be required until such time as hydrologic information on the general area prior to mining is made available from an appropriate federal or state agency. Provided further, that the permit shall not be approved until such information is available and is incorporated into the application.

(8)(10) All certifications required by this chapter to be made by professional engineers shall be done in the form prescribed by the cabinet and shall be reasonably specific as to the work being certified. The cabinet may reject any document or map as incomplete if it is not properly certified.

(9)(11) The application shall be accompanied by a transportation plan which shall set forth the portions of the state primary road system, if any, over which the applicant proposes to transport minerals extracted in the mining operation. The transportation plan shall specify the legal weight limits for each portion of any such highway or bridge over which the applicant proposes to transport minerals. The transportation plan shall include any proposal by the applicant to obtain a special permit pursuant to the provisions of KRS 189.271 to exceed the weight limits on any highway or bridge. The transportation plan shall contain a certification by a duly authorized official of the transportation cabinet attesting the accuracy of the transportation plan in regard to the locations and identities of highways and bridges on the state primary road system and the accuracy of the specifications of weight limits on such highways and bridges.] All trucks hauling coal on a fully controlled limited access highway shall be covered by a tarp or equivalent cover to prevent spillage.

(10)(12) In addition to the information and maps required above, each application for a permit shall be accompanied by detailed plans or proposals showing the method of operation, the manner, time and distance for backfilling, grading work and a reclamation plan for the affected area, which proposals shall meet the requirements of this chapter and rules and regulations adopted pursuant thereto.

(11)(13) The application for a permit shall be accompanied by proof that the applicant has public liability insurance coverage satisfactory to the cabinet for the surface mining and reclamation operations for which the permit is sought, or proof that the applicant has satisfied self-insurance requirements as provided by regulations of the cabinet. Such coverage shall be maintained in full force and effect during the terms of the permit and any renewal thereof, and until reclamation operations are completed.

(12)(14) A basic fee set by regulation, and bearing a reasonable relationship to the cost of processing the permit application but not to exceed three hundred seventy-five dollars (\$375) plus a fee set by regulation but not to exceed seventy-five dollars (\$75) for each acre or fraction thereof of the area of land to be affected by the operation, shall be paid before the permit required herein shall be issued; provided that if the cabinet approves an incremental bonding plan submitted by the applicant, the acreage fees may be paid in increments and at times corresponding to the approved plan. The operator shall file with the cabinet a bond payable to the Commonwealth of Kentucky with surety satisfactory to the cabinet in the [penal] sum to be determined by the cabinet for each acre or fraction thereof of the area of land affected, with a minimum bond of ten thousand dollars (\$10,000), conditioned upon the faithful performance of the requirements set forth in this chapter and of the rules and regulations of the cabinet. In determining the amount of the bond the cabinet shall take into consideration the character and nature of the overburden, the future suitable use of the land involved and the cost of backfilling, grading and reclamation to be required and the probable difficulty of reclamation, giving consideration to such factors as topography, geology, hydrology, and revegetation potential. The bond amount shall initially be computed to be sufficient to assure completion of reclamation if the work had to be performed by the cabinet in the event of forfeiture. The cabinet shall promulgate regulations setting forth bonding requirements including, but not limited to, requirements for the amount, duration, release, and forfeiture of such bonds. [Where the circumstances are such as to warrant an exception, the cabinet, in its discretion, may reduce the amount of the bond for a two (2) acre operation to less than the required minimum.]

(13)(15) Surface coal mining and reclamation operations which affected [affect] two (2) acres or less, as defined by regulations of the cabinet, which were conducted pursuant to two-acre-or-less permits issued by the cabinet, which were commenced on or before June 5, 1987, and on which mining ceased on or before November 7, 1987, shall be exempt from the requirements of this chapter, except as follows. Reclamation of such operations shall be accomplished in accordance with administrative regulations promulgated by the cabinet for operations of two (2) acres or less. In [that the cabinet shall promulgate reasonable minimal regulations for permitting, bonding, controlling offsite water quality, revegetation, refuse piles, and use of explosives; and shall prohibit

disposal of soil over the outslope in an uncontrolled manner. Such regulations shall recognize the distinct difference between two (2) acre operations and other surface coal mining operations and shall be less stringent than those imposed on other surface coal mining operations affecting more than two (2) acres; and in] no event shall the cabinet require that the highwalls left by such operations be eliminated. *Bond shall be maintained until reclamation is successfully completed.* [In no event shall the bond be more than one thousand dollars (\$1,000) per acre. The cabinet shall promulgate a short form application which will require the basic business information and a brief description of the method of operation. These applications shall be processed within thirty (30) calendar days.] All procedural provisions and the penalty provisions of KRS 350.990 shall, however, apply to operations conducted [and permits granted] pursuant to this subsection. The cabinet shall enforce this subsection consistent with this chapter except that the cabinet shall not issue orders requiring cessation of operations for mere failure to abate a violation.

(14)[(16)] The cabinet shall promulgate rules and regulations for the permitting of operations with surface effects of underground mining and other surface coal mining and reclamation operations consistent with this section. The cabinet shall recognize the distinct differences between the surface effects of underground mining and strip mining, as also provided in KRS 350.151, in promulgating permitting requirements for these operations; provided, that the cabinet shall require[; for underground mines that are greater than two (2) acres under subsection (15) of this section;] that all of the areas overlying underground workings be permitted but that the areas overlying underground workings not affected by operations and facilities occurring on the surface shall not be subject to the payment of acreage fees or bond requirements of subsection (14) of this section or of KRS 350.151[; provided, however, that applications for operations of two (2) acres or less filed under subsection (15) of this section shall clearly identify the boundaries of the proposed deep mine operation].

(15)[(17)] Any valid permit issued pursuant to this chapter shall carry with it the right of successive renewal upon expiration with respect to areas within the boundaries of the existing permit. The holders of the permit may apply for renewal and such renewal shall be issued (provided that on application for renewal the burden shall be on the opponents of renewal), subsequent to the fulfillment of the public notice requirements of this chapter unless it is established and written findings by the cabinet are made that:

- (a) The terms and conditions of the existing permit are not being satisfactorily met;
- (b) The present surface coal mining and reclamation operation is not in compliance with the environmental protection standards of this chapter;
- (c) The renewal requested substantially jeopardizes the operator's continuing responsibility on existing permit areas;
- (d) The operator has not provided evidence that the performance bond in effect for said operation will continue in full force and effect for any renewal requested in such application as well as any additional bond the cabinet might require; or
- (e) Any additional revised or updated information required by the cabinet has not been provided;

Prior to the approval of any renewal of permit the cabinet shall provide notice to the appropriate public authorities.

(16)[(18)] If an application for renewal of a valid permit includes a proposal to extend the mining operation beyond the boundaries authorized in the existing permit, the portion of the application for renewal of a valid permit which addresses any new areas of surface disturbance shall be subject to the full standards applicable to new applications under this chapter.

(17)[(19)] Any permit renewal shall be for a term not to exceed the period of the original permit. Application for permit renewal shall be made at least one hundred and twenty (120) days prior to the expiration of the valid permit.

(18)[(20)] Notwithstanding any of the provisions of this section, a permit shall terminate if the permittee has not commenced the surface coal mining operations covered by such permit within three (3) years of the issuance of the permit. However, the cabinet may grant reasonable extensions of time upon a showing that such extensions are necessary by reason of litigation precluding commencement of operations, or threatening substantial economic loss to the permittee, or by reason of conditions beyond the control and without the

fault or negligence of the permittee. With respect to coal to be mined for use in a synthetic fuel facility or specific major electric generating facility, the permittee shall be deemed to have commenced surface mining operations at such time as the construction of the synthetic fuel or generating facility is initiated.

(19)[(21)] Each application for a permit or revision for auger mining on a previously mined area must contain information to describe the area to be affected, to show that the proposed method of operation will result in stable post-mining conditions, and reduce or eliminate adverse environmental conditions created by previous mining activities. If the cabinet determines that the affected area cannot be stabilized and reclaimed subsequent to augering or that the operation will result in an adverse impact to the proposed or adjacent area, the permit or revision shall not be issued. The cabinet shall, consistent with all applicable requirements of this chapter, issue a permit or revision if the applicant demonstrates that the proposed coal mining operations will provide for reduction or elimination of the highwall, or reduction or abatement of adverse impacts resulting from past mining activities, or stabilization or enhancement of a previously mined area. The cabinet shall insure that all reasonably available spoil material will be used to backfill the highwall to the extent practical and feasible; provided, however, that in all cases the holes be properly sealed and backfilled to a minimum of four (4) feet above the coal seam being mined.

(20)[(22)] All operations involving the loading of coal which do not separate the coal from its impurities, and which are not located at or near the mine site, shall be exempt from the requirements of this chapter.

Section 2. KRS 350.093 is amended to read as follows:

(1) As determined by regulations of the cabinet, time and distance limits shall be established requiring backfilling, grading and planting to be kept current, such that all reclamation efforts proceed in an environmentally sound manner and as contemporaneously as practicable under regulations promulgated by the cabinet. All backfilling and grading shall be completed before necessary equipment is moved from the operation; provided however that the cabinet may for good cause approve the moving of equipment before all backfilling and grading is completed.

(2) (a) The cabinet may allow an operator to defer the time criteria of contemporaneous reclamation requirements on specified areas if the operator can demonstrate that said deferment is necessary to address at least one (1) of the following:

1. Adverse condition including weather, labor and other conditions clearly beyond the operator's control;
2. Other bona fide mining operations carried out on a strip mined area, pursuant to KRS 350.080;
3. Coal marketing problems.

(b) Application for a deferment pursuant to this section shall be in the form prescribed by the cabinet. The applicant has the burden in establishing the need for such deferment. The applicant must demonstrate that reclamation on the site is contemporaneous as of the date of the request for deferment and that distance requirements for contemporaneous reclamation will be met during the period of the deferment. Approval of the deferment request shall be made in writing. The approval shall state that the deferment is justified and that no environmental damage will occur during the period of deferment. Reclamation deferments may be approved for a period reasonably related to the specified conditions justifying the deferment, but in no event shall the aggregate deferral period exceed thirty (30) months, nor shall the deferral extend beyond the expiration date of the permit. The cabinet shall periodically reexamine and update the amount of the bond on the permit area so that the amount of the bond is sufficient to assure completion of reclamation if the work had to be performed by the cabinet in the event of forfeiture.

(3) If the operator or other person desires to conduct drift mining or other underground mining upon the premises or use the openings for haulageways or other lawful purposes, the operator may designate locations to be used for such purposes at which places it will not be necessary to backfill as herein provided for until such drift or other underground mining or other use is completed, during which time the bond on file for that portion of the operation shall not be released. That portion of such locations shall be described and designated on the map attached thereto; provided, that where the operator or other person wishes to combine surface operations with underground mining operations to assure maximum practical recovery of coal resources, the cabinet may grant a variance, pursuant to regulations promulgated by the cabinet, for specific areas within the reclamation plan from the requirement that reclamation efforts proceed pursuant to subsection (1) of this section so as to permit underground mining operations prior to reclamation.

(4) The cabinet may release in whole or in part the reclamation bond or deposit for a particular operation if the cabinet is satisfied that the reclamation covered by the bond or deposit or portion thereof has been accomplished as required by this chapter. Such bond releases shall be made in accordance with the following schedule:

(a) When the operator completes the backfilling, regrading, and drainage control of a bonded area in accordance with his approved reclamation plan, the release of sixty percent (60%) of the bond or collateral for the applicable permit area.

(b) After revegetation has been established on the regraded mined lands in accordance with the approved reclamation plan *additional bond or collateral for the applicable permit shall be released*. When determining the amount of bond to be released after successful revegetation has been established, the cabinet shall retain that amount of the bond for the revegetated area which would be sufficient for a third party to cover the cost of reestablishing revegetation; such amount shall be retained for the period specified for operator responsibility for reestablishing revegetation. No part of the bond or deposit shall be released under this subsection so long as the lands to which the release would be applicable are contributing suspended solids to streamflow or runoff outside the permit area in excess of requirements set by this chapter or until soil productivity for prime farm lands has returned to levels of yield equivalent to those of unmined land of the same soil type in the surrounding area under equivalent management practices as determined from such soil surveys as may be required to be included in the permit application. Where a sedimentation pond is to be retained as a permanent impoundment, the portion of bond may be released under this subsection so long as provisions for sound future maintenance by the operator or the landowner have been made with the cabinet.

(c) When the operator has completed successfully all surface coal mining and reclamation activities, the release of the remaining portion of the bond, *or collateral*, but not before the expiration of the period specified for operator responsibility. Provided, however, that no bond shall be fully released until all reclamation requirements of this chapter are fully met.

(5) *Upon satisfying the requirements of subsections (4)(a), (b), or (c) of this section the permittee may file, or the cabinet shall initiate, an application for total or partial bond release.*

(a) *A permittee shall have the right to begin public advertisement of its request for bond release at the time it files its request for such release. The cabinet may undertake, at permittee expense, public advertisement of any cabinet initiated bond release. Should the cabinet initiate a bond release pursuant to this subsection but choose not to advertise the release pursuant to this section, and the permittee does not advertise the request for the release within the time schedules established by this subsection, the bond release application shall be denied. All public advertisements of bond release applications, whether authorized by the permittee or the cabinet, must begin within sixty (60) days after either the filing of a bond release request by the permittee or the initiation of a bond release by the cabinet. Public advertisement shall occur at least once a week for four (4) successive weeks in a newspaper of general circulation in the locality of the surface coal mining operation.*

(b) *The public advertisement required by this subsection shall include: the permit number and permit approval date, notification of the precise location of the land affected, the number of acres, the type and amount of the bond filed and the portion sought to be released, the type and appropriate dates of reclamation work performed, a description of the results achieved as they relate to the operator's approved reclamation plan, and the name and address of the cabinet to which written comments, objections, or requests for public hearings and informal conferences on the specific bond release may be submitted. Proof of such advertisement shall be placed with the bond release application within thirty (30) days after such advertisement.*

(c) *Within thirty (30) days of filing of any bond release request, the permittee shall submit copies of letters which it has sent to adjoining property owners, local governmental bodies, planning agencies, sewage and water treatment authorities, and water companies in the locality in which the surface coal mining and reclamation operation took place, notifying them of the intention to seek release from the bond. For bond releases initiated by the cabinet, the cabinet shall undertake the notification requirements set forth in this subsection.*

(d) *Upon the filing of an application for bond release by a permittee, or the initiation of such release by the cabinet, the cabinet shall notify, within thirty (30) days of such filing or initiation, [Upon application by a permittee for total or partial bond release, the cabinet shall notify] the municipality where the surface coal mining operation is located, pursuant to regulations promulgated by the cabinet.*

(6) *Upon the filing of any partial or total bond release request by a permittee [(a) Upon receipt of the notification and request], the cabinet shall within thirty (30) days conduct an inspection and evaluation of the reclamation work involved. Such evaluation shall consider, among other things, the degree of difficulty to complete any remaining reclamation, whether pollution of surface or subsurface water is occurring, the probability of continuance of future occurrence of such pollution, and the estimated cost of abating such pollution.*

(7) *The cabinet shall notify the permittee in writing of its decision to release or not to release all or part of the performance bond or deposit within five (5) days following receipt of proof of public advertisement as required in subsection (5)(b), or the end of the thirty (30) day public comment period, whichever is later [sixty (60) days from the filing of the request], if no public hearing is held pursuant to subsection (9) [(7)] of this section; and if there has been a public hearing held pursuant to subsection (9) [(7)] of this section, within thirty (30) days thereafter.*

(8)[(b)] *If the cabinet disapproves the application for release of the bond or portion thereof, the cabinet shall notify the permittee, in writing, stating the reasons for disapproval and recommending corrective actions necessary to serve said release and allowing opportunity for a public hearing. In no event shall the cabinet disapprove an application for release of a surety bond or a bond secured by a letter of credit as provided for under subsection (4)(a) or (b) of this section or under the partial release provisions applicable to an interim permit; or take any action to forfeit such surety bond, or bond secured by letter of credit, solely upon the permittee's failure to pay penalties or fines, if applicable reclamation requirements for the requested release have been fully met. The cabinet shall not continue to hold under the interim or permanent program remaining surety bond proceeds or the remaining bond secured by a letter of credit where a forfeiture has occurred solely as a result of a failure to pay penalties or fines, if the reclamation requirements of this chapter have been fully met.*

(9)[(7)] *Any person having a valid legal interest which might be adversely affected by release of the bond, and the responsible officer or head of any governmental agency so designated by cabinet regulations, shall have the right to file written objections to the proposed bond release with the cabinet, and to request a hearing in accordance with procedural regulations promulgated by the cabinet.*

Section 3. KRS 350.130 is amended to read as follows:

(1) *When any of the requirements of this chapter or rules or regulations adopted pursuant thereto or the orders of the cabinet have not been complied with, the cabinet shall forthwith cause a notice of noncompliance to be issued upon the person or operator. The cabinet shall set forth in its notice a reasonable time period but not more than ninety (90) days for the abatement of the violation. If any person or operator has not abated the violation within the time prescribed in the notice of noncompliance, the secretary or other authorized personnel of the cabinet shall issue to said operator or person an order for immediate compliance and cessation of any mining activities or operations which are contributing to the violation. Such order shall require the person or operator to abate the violation in the most expeditious manner possible. The secretary is authorized to promulgate reasonable regulations for the implementation of this section. Such notice or order shall be handed to the person in charge of the operation, and the operator or person engaged in coal exploration operations or sent by certified mail, return receipt requested addressed to the permanent address shown on the application for a permit or if no address is shown on the application, then to the address known to the cabinet. The notice of noncompliance or order for immediate compliance and cessation shall specify in what respects the person or operator has failed to comply with this chapter or the regulations or orders of the cabinet and the remedial action required, the period of time established for abatement, and a reasonable description of the portion of the surface coal mining and reclamation operation to which the notice or order applies. If the person or operator has not reached an agreement with the cabinet or has not complied with the requirements set forth in the notice of noncompliance or order for immediate compliance and cessation within time limits set therein, the permit may be revoked or the operation terminated, after an opportunity for a hearing, by order of the cabinet and the performance bond, if any, shall then be forfeited to the cabinet, except as provided in subsection (2) of this section and in KRS 350.110, provided that failure to attend a hearing shall be excused for good cause shown. Any bonding company or financial institution providing bond to the cabinet shall have the right to perform those measures necessary to secure bond releases if said bonding company or financial institution can demonstrate that it has the ability to perform said measures and will undertake to do so within a reasonable time frame. Neither the surety company nor the financial institution may employ anyone to perform said measures who has been barred from mining pursuant to the provisions of this chapter.*

(2) *When a bond is forfeited consistent with the provisions of this chapter, the cabinet shall forfeit the entire amount of the bond for the permit area or increment [pursuant to the provisions of this chapter, the secretary shall give notice to the attorney general, who shall collect the forfeiture. Bond forfeitures collected*

in cases where the surface rights have been severed from the mineral rights shall be paid to the surface owner for the purpose of reclaiming in accordance with the provisions of this chapter the same area of land included under the bond; provided, that no payment shall be made until the reclamation has been accomplished in the manner required by the cabinet, to the extent of available forfeited funds; and no payment shall be made beyond the actual cost of reclamation. Provided further, that this section shall not apply in cases where the owner cannot be located, or does not desire or is unable to accomplish the work in the manner required by the cabinet].

(3) An operator or person whose mining permit or operation has been revoked, suspended, or terminated or is at the time of the application in violation of this chapter or other applicable requirements as set forth in KRS 350.085 shall not be eligible to receive another permit or begin another operation or to have suspended permits or operations reinstated until he shall have complied with all the requirements of this chapter or submitted proof satisfactory to the cabinet under KRS 350.085 that such violation has been corrected or is in the process of being corrected in respect to all permits issued him, provided, further, that no operator or person shall be eligible to receive another permit or begin another operation who has forfeited any bond unless the land for which the bond was forfeited has been reclaimed without cost to the state or the operator or person has paid such sum as the cabinet finds is adequate to reclaim such lands. The cabinet shall not issue any permits to or allow future operations by any operator or person who has demonstrated a pattern of willful violations of this chapter of such nature and duration with such resulting irreparable damage to the environment as to indicate an intent not to comply with the provisions of this chapter, provided that no permit shall be denied on this basis without an opportunity for a hearing. The secretary shall promulgate regulations which implement this section. For the purposes of this section, if a corporate permittee has demonstrated a pattern of willful violations, then any subsequent application for a permit by that corporation, or any person who controls or has controlled that corporation, shall be denied.

(4) In the exercise of the secretary's enforcement powers and authority under this chapter, the secretary, or an authorized representative of the cabinet, after inspection shall immediately order the cessation of such condition or operation when he determines that the condition or operation creates an imminent danger to the health or safety of the public or that the condition or operation is causing or can reasonably be expected to cause significant imminent environmental harm in violation of this chapter or the regulations pursuant to this chapter, or any permit condition. For purposes of this subsection, "imminent danger to the health and safety of the public" means the existence of any condition or practice, or any violation of a permit or other requirement of this chapter in a surface coal mining and reclamation operation, which condition, practice, or violation could reasonably be expected to cause substantial physical harm to persons outside the permit area before such condition, practice, or violation can be abated. A reasonable expectation of death or serious injury before abatement exists if a rational person, subjected to the same conditions or practices giving rise to the peril, would not expose himself or herself to the danger during the time necessary for abatement.

(5) Each provision of this section shall be interpreted and applied consistently with due process of law.

(6) The secretary, or authorized representatives of the cabinet, shall have the power to vacate, amend, modify, or terminate notices of noncompliance and cessation orders, pursuant to regulations promulgated by the cabinet.

Section 4. KRS 350.131 is amended to read as follows:

(1) When a ~~[the reclamation]~~ bond for an interim or pre-interim program permit ~~was~~ *is* forfeited *prior to July 15, 1988*, by the cabinet, and the entire forfeited amount is not necessary to establish proper drainage and revegetation on the permit area for which it was submitted, the cabinet may use any remaining funds to supplement ~~[forfeited bonds for]~~ reclamation of other *forfeited or released* permit areas, if such other permit areas endanger public health and safety.

(2) *When the bond for an interim or permanent program permit is forfeited by the cabinet, and the entire forfeited amount is more than the amount necessary to complete reclamation, the unused funds shall be returned to the party from whom they were collected, subject to the cabinet's right to attach or set-off such proceeds under other state laws.*

Representative Deskins moved that the House concur in Senate Committee Substitute to **HB 657**. Agreed

Representative Deskins moved that **HB 657**, as amended by the Senate Committee Substitute, be passed.

On the roll call the vote was: Yeas 92, Nays 0. (See March 29, 1988 roll call on **HB 657** - Appendix A.)

HB 657, as amended by the Senate Committee Substitute, was passed and the title agreed to.

Representative Deskins moved that the vote by which **HB 657**, as amended by the Senate Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 752, with Senate Amendment attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Floor Amendment No. 1 to **HB 752** is as follows:

Amend printed copy of **HB 752** on page 5, line 4, delete "*Claims*" and insert in lieu thereof "*Notwithstanding KRS Chapter 355.9, claims*".

Representative Cline moved that the House concur in Senate Floor Amendment No. 1 to **HB 752**. Agreed

Representative Cline moved that **HB 752**, as amended by the Senate, be passed.

On the roll call the vote was: Yeas 91, Nays 0. (See March 29, 1988 roll call on **HB 752** - Appendix A.)

HB 752, as amended by the Senate, was passed and the title agreed to.

Representative Cline moved that the vote by which **HB 752**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 754, with Senate Amendment attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Committee Amendment No. 1 to **HB 754** is as follows:

Amend printed copy of **HB 754** on page 1, line 9, by deleting the word "*three (3)*" and inserting in lieu thereof the word "*two (2)*"; and

On line 14, after the "period," by adding the following:

"In addition thereto, he may appoint another assistant deputy attorney general to function as administrator and shall set his salary."

Representative LeMaster moved that the House concur in Senate Committee Amendment No. 1 to **HB 754**. Agreed

Representative LeMaster moved that **HB 754**, as amended by the Senate, be passed.

On the roll call the vote was: Yeas 70, Nays 14. (See March 29, 1988 roll call on **HB 754** - Appendix A.)

HB 754, as amended by the Senate, was passed and the title agreed to.

Representative LeMaster moved that the vote by which **HB 754**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 788, with Senate Amendment attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Committee Amendment No. 1 to **HB 788** is as follows:

Amend printed copy of **HB 788** on page 6, line 14, by adding after line 14 the following "Section 3. KRS 78.510 is amended to read as follows:

As used in KRS 78.520 to 78.852, unless the context otherwise requires:

- (1) "System" means the county employees retirement system;
- (2) "Board" means the board of trustees of the system as provided in KRS 78.780;
- (3) "County" means any county *or sheriff and his employees or county clerk and his employees* or political subdivision or instrumentality, including school boards, or urban-county government participating in the system by order appropriate to its governmental structure, as provided in KRS 78.530, and provided the board is willing to accept such agency or corporation, the board being hereby granted the authority to determine the eligibility of such agency to participate;
- (4) "School board" means any board of education participating in the system by order appropriate to its governmental structure, as provided in KRS 78.530, and provided the board is willing to accept such agency or corporation, the board being hereby granted the authority to determine the eligibility of such agency to participate;
- (5) "Examiner" means the medical examiners as provided in KRS 61.665;
- (6) "Employee" means every regular full-time appointed or elective officer or employee of a participating county and the coroner of a participating county, whether or not he qualifies as a regular full-time officer. The term shall not, except in the case of volunteer fire fighters serving a fire district created pursuant to KRS 75.010, include persons engaged as independent contractors, seasonal, emergency, temporary and part-time workers. In case of any doubt, the board shall determine if a person is an employee within the meaning of KRS 78.520 to 78.852;
- (7) "Employer" means a county, the electorate of a county, or any authority of such county having the power to appoint or elect an employee to office or employment in such county;
- (8) "Member" means any employee who is included in the membership of the system or any former employee whose membership has not been terminated under KRS 61.535;
- (9) "Service" means the total of current service and prior service as defined herein;
- (10) "Current service" means the number of years and months of employment as an employee, on and after July 1, 1958, for which creditable compensation is paid and employee contributions deducted except as otherwise provided in KRS 61.552(7), 61.555 and 78.530;
- (11) "Prior service" means the number of years and completed months, expressed as a fraction of a year, of employment as an employee, prior to July 1, 1958, for which creditable compensation was paid. An employee shall be credited with one (1) month of prior service only in those months he received compensation for at least one hundred (100) hours of work. Twelve (12) months of current service in the system are required to validate prior service;
- (12) "Accumulated contributions" means the sum of all amounts deducted from the compensation of a member and credited to his individual account in the members' contribution account, including employee contributions picked up after August 1, 1982 pursuant to KRS 78.610(4), together with interest credited on such amounts, and any other amounts the member shall have contributed thereto, including interest credited thereon;
- (13) "Creditable compensation" means all salary, wages and fees paid to the employee as a result of services performed for the employer, including employee contributions picked up after August 1, 1982 pursuant to KRS 78.610(4). In cases where compensation includes maintenance and other perquisites, the board shall fix the value of that part of the compensation not paid in money. In the case of fire fighters employed by

a district created pursuant to KRS 75.010 who are paid less than five thousand dollars (\$5,000) per year for fire fighting services, creditable compensation shall mean an assumed salary of at least five thousand dollars (\$5,000) per year, or a higher figure set annually by the district board of trustees;

(14) "Final compensation" of a member means the creditable compensation of the member during the five (5) fiscal years he was paid at the highest average monthly rate divided by the number of months of service credit during that five (5) year period multiplied by twelve (12). Said five (5) years may be fractional and need not be consecutive. In the event the number of months of service credit during such five (5) year period is less than forty-eight (48), one (1) or more additional fiscal years shall be used;

(15) "Final rate of pay" means the actual rate upon which earnings of an employee were calculated during the twelve (12) months period immediately preceding the member's effective retirement date, and shall include employee contributions picked up after August 1, 1982 pursuant to KRS 78.610(4). Such rate shall be certified to the board by the employer and the following equivalents shall be used to convert said rate to an annual rate: nineteen hundred fifty (1950) hours, two hundred sixty (260) days, fifty-two (52) weeks, twelve (12) months, one (1) year;

(16) "Retirement allowance" means the retirement payments to which a member is entitled;

(17) "Actuarial equivalent" means a benefit of equal value when computed upon the basis of such actuarial tables as are from time to time adopted by the board except in case of disability retirement the options authorized by KRS 61.635 shall be computed by adding ten (10) years to the age of the member, provided however, that no disability retirement option shall be less than the same option computed under early retirement;

(18) "Normal retirement date" means the sixty-fifth (65th) birthday of a member unless otherwise provided in KRS 78.520 to 78.852;

(19) "Fiscal year" of the system means the twelve (12) months from July 1 through the following June 30;

(20) "Agency reporting official" means the person designated by the participating agency to file reports with the county employees retirement system;

(21) "Regular full-time positions" as used in subsection (6) of this section shall mean all positions except:

(a) Seasonal positions, which although temporary in duration, are positions which coincide in duration with a particular season or seasons of the year and which may recur regularly from year to year; in which case the period of time shall not exceed six (6) months in any event;

(b) Emergency positions which are positions which do not exceed thirty (30) working days and are non-renewable;

(c) Temporary positions which are positions of employment with a participating agency for a period of time not to exceed twelve (12) months in any event and not renewable;

(d) Part-time positions which are positions which may be permanent in duration, but which require less than an annual or fiscal year average of one hundred (100) hours of work per month in the performance of duty, except in case of school bus drivers for school boards, in which event the school term average shall be eighty (80) hours of work per month in the performance of duty, and except in the case of volunteer fire fighters employed by a district created pursuant to KRS 75.010 who shall satisfy work requirements set by the district board of trustees;

(22) "Alternate participation plan" means a new method of participation in the system as provided for by KRS 78.530(3) which shall become effective July 1, 1973; and

(23) "Retired member" means any former member receiving a retirement allowance or any former member who has filed the necessary documents for retirement benefits and is no longer contributing to the system.

Section 4. KRS 78.530 is amended to read as follows:

(1) Each county and school board as defined in KRS 78.510 will participate in the system by appropriate order authorizing such participation which has been entered and duly recorded in the records of the governing body of the county or school board. *In cases where general purpose county government does not participate, but the sheriff and his employees or the county clerk and his employees do, the sheriff or the clerk shall retain the order in his office.* The authority to issue and properly record such order of participation being hereby granted, permits such county to participate in the system. The effective date of such participation shall be fixed in the order.

(2) Once a county or school board participates it shall thereafter continue to participate except as provided in KRS 78.535.

(3) (a) Concurrent with the adoption of the appropriate resolution to participate in the system, a county may elect the alternate participation plan which will require the county to purchase on behalf of each employee electing coverage, at the time the county elected to participate in the system as provided under KRS 78.540(2) current service credit for employment in regular full-time positions between July 1, 1958 and the participation date of the county. Cost of such service credit over and above that which would be funded within the existing employer contribution rate shall be determined by the board's consulting actuary. The expense of such actuarial service shall be paid by the county;

(b) The county shall establish a payment schedule subject to approval by the board for payment of the cost of such service over and above that which would be funded within the existing employer contribution rate. The maximum period allowed in a payment schedule shall be thirty (30) years, with interest at the rate actuarially assumed by the board; however, a shorter period is desirable and the board may approve any payment schedule provided it is not longer than a thirty (30) year period; and

(c) A city entering the system under the alternate participation plan, may, by ordinance, levy a special property tax to pay for current service credit purchased for the period between July 1, 1958 and the participation date of the city. The special tax shall be to pay, within a period of no more than fifteen (15) years, for the cost of such service credit over that which would be funded within the existing employer contribution rate, as determined by the board's consulting actuary. The reason for levying the special tax and the disposition of the proceeds shall be part of the ordinance levying the tax. The special tax shall be rescinded when the unfunded prior service liability has been amortized, and shall not be subject to the provisions of KRS 132.017 or 132.027. The city shall not collect the special property tax if its participation has been terminated pursuant to KRS 78.535.

(4) Every school board not participating on June 21, 1974, shall enact a resolution of participation no later than July 1, 1976.

(5) The order of the governing body of a county, as provided for in subsection (1) of this section, may exclude from participation in the system, hospitals and any other semi-independent agency. Each such excluded agency shall be identified in the order authorizing participation and such excluded agency may participate in the system as a separate agency.

(6) An agency whose participation in the county employees retirement system has been terminated by the board of trustees in accordance with KRS 78.535 may at a later date request participation in the retirement system by the adoption of an appropriate order as authorized by subsection (1) of this section. The board may accept the participation of such agency provided it is determined that such participation is in the best interest of the agency, the employees thereof and the county employees retirement system.

(7) After July 1, 1985, local government retirement systems created pursuant to KRS 79.080, 90.400, 90.410, 95.768 and 96.180 shall be closed to new members. New employees who would have been granted membership in such retirement systems shall instead be granted membership in the county employees retirement system. Employees who would have been granted membership in retirement systems created pursuant to KRS 95.768, or any other policemen or fire fighters who would have been granted membership in retirement systems created pursuant to KRS 79.080, 90.400 or 90.410 shall be certified by their employers as working in hazardous positions. Each city participating in the county employees retirement system pursuant to this subsection shall execute the appropriate order authorizing such participation, shall, if its local pension system provides a defined benefit, select the alternate participation plan as described in subsection (3) of this section, and shall pay for the actuarial services necessary to determine the additional costs of alternate participation. Cities which provide a defined contribution pension plan locally may select the alternate participation plan, and in that case shall pay for the actuarial services necessary to determine the additional costs of alternate participation."

Representative Stumbo moved that the House concur in Senate Committee Amendment No. 1 to **HB 788**. Agreed

Representative Stumbo moved that **HB 788**, as amended by the Senate, be passed.

On the roll call the vote was: Yeas 85, Nays 0. (See March 29, 1988 roll call on **HB 788** - Appendix A.)

HB 788, as amended by the Senate, was passed and the title agreed to.

Representative Stumbo moved that the vote by which **HB 788**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 793, with Senate Amendment attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Committee Amendment No. 1 to **HB 793** is as follows:

Amend printed copy of **HB 793** on page 6, line 14, by deleting after the word "*hunt*" the following: "*trap*"; and

On line 15, by inserting after the word "*tenant*" the following: "*or trap without the written consent of the owner or tenant*"

Representative R. Smith moved that the House concur in Senate Committee Amendment No. 1 to **HB 793**. Agreed

Representative R. Smith moved that **HB 793**, as amended by the Senate, be passed.

On the roll call the vote was: Yeas 77, Nays 11. (See March 29, 1988 roll call on **HB 793** - Appendix A.)

HB 793, as amended by the Senate, was passed and the title agreed to.

Representative R. Smith moved that the vote by which **HB 793**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 809, with Senate Amendment attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Floor Amendment No. 2 to **HB 809** is as follows:

Amend printed copy of **HB 809** on page 1, after line 21, by adding the following:

"(4) The Attorney General's Division of Consumer Protection shall exempt a spa from the bonding requirement if all of its unexpired contracts and present membership plans meet the following criteria:

(a) No initiation fee, or similar non-recurring fee, is charged at or near the beginning of the contract term or renewal period, and

(b) At no time is any member charged for use of facilities or services more than thirty-one (31) days in advance;

On page 2, line 1, by deleting the number "(4)" and inserting in lieu thereof the number "(5)";

On page 2, line 1, after the word "*membership*" by inserting the words "*or change in membership plans*";

On page 2, line 2, after the word "*to*" by inserting the words "*file a bond or*";

On page 2, line 5, after the word "*expected*" by deleting the words "*increase in membership*" and inserting in lieu thereof the word "*change*";

On page 2, line 6, after the word "*section*" by inserting the words "*or not in compliance with subsection (4) of this section*";

and by renumbering all subsequent subsections and in-text references accordingly.

Representative R. Jones moved that the House concur in Senate Floor Amendment No. 2 to **HB 809**.
Agreed

Representative R. Jones moved that **HB 809**, as amended by the Senate, be passed.

On the roll call the vote was: Yeas 89, Nays 0. (See March 29, 1988 roll call on **HB 809** - Appendix A.)

HB 809, as amended by the Senate, was passed and the title agreed to.

Representative R. Jones moved that the vote by which **HB 809**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 811, with Senate Committee Substitute and Senate Amendment attached thereto, taken from the Orders of the Day, Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Committee Substitute to **HB 811** is as follows:

HB 811. AN ACT relating to permitted investments of the Kentucky Agricultural Finance Corporation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 247.946 is amended to read as follows:

The corporation shall have all of the powers necessary or convenient to carry out and effectuate the purposes and provisions of KRS 247.940 to 247.978 including, but without limiting the generality of the foregoing, the power:

(1) To adopt bylaws for the regulation of its affairs and the conduct of its business and to prescribe rules, regulations and policies in connection with the performance of its functions and duties;

(2) To review the projects authorized to be financed by KRS 247.940 to 247.978 in order to determine the following:

(a) The qualifications of the applicant as a party entitled to financing assistance under the provisions of KRS 247.940 to 247.978 and the rules and regulations of the corporation;

(b) The qualifications of the applicant in the areas of experience, training and financial ability in relation to the project for which assistance is sought and such other areas as the corporation shall determine necessary and desirable in implementing the intent of KRS 247.940 to 247.978 in the promotion of agriculture throughout the Commonwealth. Analysis shall include a careful evaluation of character, experience, record, and prospects for sound financial management and sound operation of the project. Financial ability factors to be considered shall include the applicant's total assets controlled, equity owned, contingent liabilities, history of earnings to date, and repayment capacity, as well as other factors set by the corporation. Consideration may be given to the special needs of beginning farmers;

(c) The economic need for the project in the area based upon general economic conditions and unemployment

in the region:

(d) The economic soundness of the project based upon generally accepted cost-benefit methodology; and

(e) Consistency of the project with other policies of the Commonwealth designed to ensure a sustained land base for agriculture including preservation of prime farmland and promotion of soil conservation techniques for protection of farmland.

(3) To issue in its issuing agency capacity its negotiable revenue obligations for the purpose of financing qualified projects for qualified applicants in order to promote the general agricultural economy of the Commonwealth; and in addition to the powers conferred hereunder, to have all the authority delegated to cities and counties pursuant to the provisions of KRS 103.200 through 103.285; provided, however, that obligations issued by the corporation in its issuing agency capacity shall not be subject to the jurisdiction or approval of the industrial revenue bond oversight committee or the state property and buildings commission but shall be subject to the review of the division of investment and debt management;

(4) To issue in its lending agency capacity its negotiable revenue obligations for the purpose of financing qualified projects for qualified applicants in order to promote the general agricultural economy of the Commonwealth; provided, however, that bonds issued by the corporation in its lending agency capacity in accordance with KRS 247.950 shall be subject to the review of the division of investment and debt management;

(5) To make or participate in the making of insured mortgage loans to qualified applicants for the purpose of purchasing agricultural real estate and improvements;

(6) To purchase or participate in the purchase of mortgage loans made to qualified applicants for the purpose of purchasing agricultural real estate and improvements;

(7) To make or participate in the making of loans to qualified applicants for the purpose of purchasing machinery, equipment and livestock;

(8) To purchase or participate in the purchase of loans to qualified applicants for the purpose of purchasing machinery, equipment and livestock;

(9) To make or participate in the making or to purchase or participate in the purchase of loans to qualified applicants for the purpose of leasing equipment, introducing new agricultural commodities or enhancing agricultural markets;

(10) To collect and pay reasonable fees and charges in connection with making, purchasing and servicing its loans, notes, bonds, commitments and other evidences of indebtedness;

(11) To acquire real and personal property, or any interest therein, by purchase, foreclosure, lease, sublease, or otherwise; to own, manage and operate such real and personal property; to sell, assign, exchange, transfer, convey, lease, mortgage or otherwise dispose of or encumber such real and personal property where necessary or appropriate to the purposes of the corporation;

(12) To sell, at public or private sale, all or any part of any real estate mortgage or chattel mortgage or other instrument or document securing any loan permitted by KRS 247.940 to 247.978;

(13) To procure insurance against any loss in connection with its operations in such amounts and from such insurers, as it may deem necessary or desirable;

(14) To consent, whenever the corporation deems necessary or desirable in the fulfillment of its corporate purposes, to the modification of interest rates, time of payment of principal or interest, or any other terms of any loan, contract or agreement of any kind to which the corporation is a party;

(15) To include in any borrowing such amounts as may be deemed necessary by the corporation to pay financing charges, capitalized interest, consultant, advisory and legal fees and such other expenses as are necessary or incident to such borrowing;

(16) To make and publish rules and regulations respecting its lending programs and such other rules and regulations as are necessary to effectuate its corporate purposes;

(17) To make, execute and effectuate any and all agreements or other documents with any governmental agency or any person, corporation, association, partnership or other organization or entity, necessary to accomplish the purposes of KRS 247.940 to 247.978;

(18) To accept gifts, devises, bequests, grants, loans, appropriations and other assistance and any other aid from any source whatsoever and to agree to and to comply with conditions attached thereto;

(19) To sue and be sued in its own name;

(20) To maintain an office in the city of Frankfort and at such other place or places as it may determine;

(21) To employ fiscal consultants, engineers, attorneys, appraisers and such other agents and employees as may be required in the judgment of the corporation and to fix and pay their compensation from funds available to the corporation therefor; and

(22) To invest any funds held in sinking funds, reserve funds or trust fund accounts or any moneys not required for immediate disbursement by the corporation in:

(a) Obligations of or guaranteed by the Commonwealth, United States of America or their respective agencies and instrumentalities;

(b) *Certificates of deposit and other evidences of deposit at state and federal chartered banks and savings and loan associations, fully collateralized as to any principal amount in excess of the amount insured by the United States government or any agency thereof;*

(c) *A guaranteed investment or similar contract, which provides for the investment of funds at a guaranteed rate of return, with an insurance company or depository financial institution with a claim paying rating of no less than either of the two (2) highest grades given by a nationally recognized rating agency; and*

(d) *Any other investment authorized by law for the investment of funds of the Commonwealth [subject, however, to federal law and regulations relating to the investment of the proceeds of obligations the interest on which is exempt from federal income taxation].*

Section 2. KRS 42.500 is amended to read as follows:

(1) There shall be a state investment commission composed of the governor who shall be chairman, the state treasurer who shall be vice-chairman and serve as chairman in the absence of the governor, the secretary of the finance and administration cabinet, and two (2) persons appointed by the governor.

(2) The individuals appointed by the governor shall be selected as follows: one (1) to be selected from a list of five (5) submitted to the governor by the Kentucky Bankers Association, and one (1) to be selected from a list of five (5) submitted to the governor by the Independent Community Bankers Association.

(3) The state investment commission shall meet at least quarterly to review investment performance and conduct other business. This provision shall not prohibit the commission from meeting more frequently as the need arises.

(4) Three (3) members of the commission shall constitute a quorum. Any three (3) members of the commission may call a meeting.

(5) The provisions of KRS 61.070 shall not apply to members of the commission.

(6) ~~[The commission shall have authority to and may invest any and all surplus funds of the state in direct obligations of the United States government, or of the Commonwealth of Kentucky. All such investments shall be obligations that will mature within five (5) years from the date of investment.]~~

(7) The commission shall also have authority and may, whenever in its opinion the cash in the state treasury is in excess of the amount required to meet current expenditures, invest any and all of said excess cash in United States treasury bills or certificates of indebtedness or any other United States government security which will mature within one (1) year from the date of investment.

(8) The commission shall ~~[also]~~ have authority and may, ~~if~~ ~~[whenever]~~ in its opinion the cash in the state treasury is in excess of the amount required to meet current expenditures, invest any and all of ~~the~~ ~~[said]~~ excess cash in:

(a) Obligations ~~and contracts for future delivery of obligations~~ backed by the full faith and credit of the United States or a U.S. government agency, including but not limited to:

1. U.S. treasury;
2. Export-import bank of the United States;
3. Farmers home administration;
4. Governmental national mortgage corporation; and
5. Merchant marine bonds;

(b) Obligations of any corporation of the U.S. government, including but not limited to:

1. Federal home loan mortgage corporation;
2. Federal farm credit banks;
 - a. Bank for cooperatives;
 - b. Federal intermediate credit banks;
 - c. Federal land banks;
3. Federal home loan banks;
4. Federal national mortgage association; and
5. Tennessee Valley Authority obligations; ~~[and]~~

(c) Collateralized or uncollateralized certificates of deposit, issued by banks rated in one (1) of the three (3) highest categories by a nationally recognized rating agency or other interest-bearing accounts in depository institutions chartered by this state or by the United States, except for shares in mutual savings banks;

(d) Bankers acceptances for banks rated in one (1) of the three (3) highest categories by a nationally recognized rating agency;

(e) Commercial paper rated in the highest category by a nationally recognized rating agency; and

(f) Securities issued by a state or local government, or any instrumentality or agency thereof, in the United States, and rated in one (1) of the three (3) highest categories by a nationally recognized rating agency.

(7)(9) Interest earned from investments made pursuant to this section shall accrue to the credit of the surplus account of the general fund, except that interest from investments of excess cash in the road fund shall be credited to the surplus account of the road fund and interest from investments of excess cash in the game and fish fund shall be credited to the game and fish fund, interest earned from investments of imprest cash funds and funds in the trust and revolving fund for each state public university shall be credited

to the appropriate institutional account, and interest earned from the investment of funds accumulated solely by means of contributions and gifts shall not be diverted to any purpose other than that stipulated by the donor, when such donor shall have designated the use to which such interest shall be placed, and interest earned from the investment of moneys appropriated to the capital construction fund and its accounts shall accrue to the capital construction surplus account of the capital construction fund.

(8)(10) The authority granted by this section to the state investment commission shall not extend to any funds that are specifically provided by law to be invested by some other officer or agency of the state government.

(9)(11) The authority granted by this section to the state investment commission shall only be exercised pursuant to the regulations mandated by KRS 42.525.

(10)(12) Each member of the state investment commission shall post bond for his acts or omissions as a member thereof identical in amount and kind to that posted by the state treasurer.

The Senate Committee Title Amendment No. 1 to **HB 811** is as follows:

Amend printed copy of Committee Substitute to **HB 811** on page 1, by changing the title to read "AN ACT relating to authorized investments by state agencies."

Representative Long moved that the House concur in Senate Committee Substitute to **HB 811**. Agreed

Representative Long moved that **HB 811**, as amended by the Senate Committee Substitute, be passed.

On the roll call the vote was: Yeas 92, Nays 0. (See March 29, 1988 roll call on **HB 811** - Appendix A.)

HB 811, as amended by the Senate Committee Substitute, was passed.

Representative Long moved that the House concur in Senate Committee Title Amendment No. 1 to **HB 811**. Agreed; and the title was agreed to.

Representative Long moved that the vote by which **HB 811**, as amended by the Senate Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 929, with Senate Amendment attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Committee Amendment No. 1 to **HB 929** is as follows:

Amend printed copy of **HB 929** on page 2, line 18, after "Chapter 100" insert "*and any county surface mining regulation contained within a zoning ordinance adopted prior to April 1, 1988*".

Representative Maggard moved that the House concur in Senate Committee Amendment No. 1 to **HB 929**. Agreed

Representative Maggard moved that **HB 929**, as amended by the Senate, be passed.

On the roll call the vote was: Yeas 90, Nays 0. (See March 29, 1988 roll call on **HB 929** - Appendix A.)

HB 929, as amended by the Senate, was passed and the title agreed to.

Representative Maggard moved that the vote by which **HB 929**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

Senate Message

Message received on **SB 201**: The Senate has appointed following members to serve on a Conference Committee on **SB 201**: Senators Quinlan, O'Daniel and Travis.

Orders of the Day (continued)

HB 956, with Senate Amendments attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Committee Amendment No. 3 to **HB 956** is as follows:

Amend printed copy of **HB 956** on page 9, line 24, after the word "*of*" by deleting the words "*nine*" and inserting in lieu thereof the words "*one million two*";

On page 9, line 25, by deleting the amount "\$900,000" and inserting in lieu thereof the amount "\$1,200,000"; and

On page 10, line 2, after the word "*under*" by deleting the word "*nine*" and inserting in lieu thereof the word "*one million two*" and after the word "*dollars*" by deleting the amount "\$900,000" and inserting in lieu thereof the amount "\$1,200,000".

The Senate Committee Amendment No. 4 to **HB 956** is as follows:

Amend printed copy of **HB 956** on page 4, line 7, after the word "*track.*" by adding the following:

"This common pool requirement shall not apply to wagers made in connection with interstate simulcasting pursuant to subsection (5) of section 2 of this Act."

The Senate Committee Amendment No. 5 to **HB 956** is as follows:

Amend printed copy of **HB 956** on page 6, line 22, before the word "hundred", by placing brackets and strike throughs around the word "nine" and inserting in lieu thereof the words "*one million two*";

On page 6, line 22, by placing brackets and strike throughs around the following: "\$900,000" and inserting in lieu thereof the following: "\$1,200,000";

On page 7, line 2, before the word "hundred", by placing brackets and strike throughs around the word "nine" and inserting in lieu thereof the words "*one million two*";

On page 7, line 3, by placing brackets and strike throughs around the following: "\$900,000" and inserting in lieu thereof the following: "\$1,200,000";

On page 7, line 18, before the word "hundred", by placing brackets and strike throughs around the word "nine" and inserting in lieu thereof the words "*one million two*";

On page 7, line 19, by placing brackets and strike throughs around the following: "\$900,000" and inserting in lieu thereof the following: "\$1,200,000";

Representative Lundergan moved that the House concur in Senate Committee Amendment No. 3 to **HB 956**. Agreed

Representative Lundergan moved that the House concur in Senate Committee Amendment No. 4 to **HB 956**. Agreed

Representative Lundergan moved that the House concur in Senate Committee Amendment No. 5 to **HB 956**. Agreed

Representative Lundergan moved that **HB 956**, as amended by the Senate, be passed.

On the roll call the vote was: Yeas 84, Nays 3. (See March 29, 1988 roll call on **HB 956** - Appendix A.)

HB 956, as amended by the Senate, was passed and the title agreed to.

Representative Lundergan moved that the vote by which **HB 956**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

Recess

Representative Stumbo moved that the House recess for thirty minutes. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Senate Message

Message received on **HB 665**: The Senate has refused to recede from its Amendments No. 2 and 3 to **HB 665** and is respectfully returning same to this Honorable Body asking for a Conference Committee to be appointed.

SB 130 returned with the following message: The Senate has refused to concur in the House Committee Substitute and House Floor Amendment No. 3 and Title Amendment to **SB 130** and respectfully returns it with the request that this Honorable Body recede from the Committee Substitute and the Amendment.

SB 268 returned with the following message: The Senate has refused to concur in the House Amendments to **SB 268** and respectfully returns it with the request that this Honorable Body recede from the Amendments.

Representative Stumbo moved that the floor be kept open to receive Senate Messages during recess. Agreed.

Recess

Representative Stumbo moved that the House recess until 2:00 p.m. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Prayer by Most Reverend J. Kendrick Williams, Bishop of Lexington, Kentucky.

The Speaker announced the appointment of the following members to serve on a Conference Committee on **HB 665**: Representatives Worthington, Chairman; B. Smith, Allen, K. Harper and Nett.

A Conference Committee Report was filed on **SB 201**.

Report on Enrolled Bills

The Committee on Enrollment reported **SB 48**, **SB 118**, **SB 224** and **SB 301** had been examined and found correctly enrolled. Said Bills read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate. (Time - 2:04 p.m.)

Senate Message

SB 300 returned with the following message: The Senate has refused to concur in the House Committee Substitute, House Floor Amendment No. 2 and Floor Title Amendment to **SB 300** and respectfully returns it with the request that this Honorable Body recede from the Amendment.

HCR 48 returned with the following message: The Senate has receded from its Floor Amendment No. 2 to **HCR 48** and is respectfully returning same to this Honorable Body for enrollment.

Message received on **HB 665**: The Senate has appointed the following members to serve on a Conference Committee on **HB 665**: Senators Wright, Clouse, O'Daniel and Trevey.

Message received on **SB 201**: The Senate has approved following members to serve on a Free Conference Committee on **SB 201**: Senators Quinlan, O'Daniel and Travis.

Message received on **HB 12**: The Senate has adopted the Conference Committee Report on **HB 12** and is notifying this Honorable Body that it has repassed the bill as amended in conference.

SB 167 returned with the following message: The Senate has refused to concur in the House Floor Amendments No. 1 and 2 to **SB 167** and respectfully returns it with the request that this Honorable Body recede from the Amendment.

Orders of the Day (continued)

Representative Freibert moved that the rules be suspended to act upon a Resolution. Agreed.

Representative Freibert moved the adoption of the following **HR 157**:

HR 157. A RESOLUTION honoring The Most Reverend J. Kendrick Williams, Bishop of the Diocese of Lexington.

WHEREAS, the Roman Catholic Diocese of Lexington was formally established on March 2, 1988; and

WHEREAS, the Diocese of Lexington is the newest diocese in American Catholicism, encompassing 16,423 square miles, and representing fifty Kentucky counties, including portions of Central and Eastern Kentucky; and

WHEREAS, the Church of Christ the King was designated a cathedral on March 2, 1988; and

WHEREAS, The Most Reverend J. Kendrick Williams was installed as Bishop of the Diocese of Lexington on March 2, 1988; and

WHEREAS, through the years, The Most Reverend J. Kendrick Williams has been admired for his guidance and wisdom; and

WHEREAS, the people of the new Diocese of Lexington are indeed blessed to receive the peace and joy their new shepherd so lovingly gives;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That on behalf of this body, best wishes and prayers of love and support are extended to The Most Reverend J. Kendrick Williams in his mission as shepherd of his flock.

Section 2. That when the House of Representatives adjourns this day, Tuesday, March 29, 1988, it does so in honor of The Most Reverend J. Kendrick Williams.

Section 3. That the Clerk of the House of Representatives is directed to transmit a copy of this resolution to The Most Reverend J. Kendrick Williams, The Catholic Center, 1310 Leestown Pike, P. O. Box 12350, Lexington, Kentucky, 40582-2350.

HR 157 was adopted by voice vote.

Representative Blevins moved the rules be suspended to act upon a Resolution and a Legislative Citation. Agreed.

HR 214, by Representative Blevins: A RESOLUTION honoring five year old Jesse Hodges.

Representative Blevins moved the adoption of the following **HR 214**:

HR 214, A RESOLUTION honoring five year old Jesse Hodges.

WHEREAS, five year old Jesse Hodges of Morehead saved the life of his brutally beaten mother and an elderly shop owner; and

WHEREAS, Jesse Hodges clear mindedly and courageously escaped from a locked room, sought safety for his sister, and help for the injured women; and

WHEREAS, this young Kentuckian is truly an example for other youngsters in the Commonwealth and everywhere; and

WHEREAS, the members of the House of Representatives along with Jesse's family are exceedingly proud of this young man;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House of Representatives very proudly commends Jesse Hodges on his remarkable accomplishment.

Section 2. That the Clerk of the House transmit copies of this resolution to Jesse Hodges and his mother, Cindy Hodges of Morehead, Kentucky 40351.

HR 214 was adopted by voice vote.

Representative Blevins moved the adoption of Legislative Citation No. 131. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby commends and applauds JESSE HODGES for your bravery and quick actions in saving the lives of others in a dangerous situation. For one so young in years, you are to be commended for these actions and for your immediate response in recognizing a life threatening situation. By finding a way to get help for your mother, sister and the owner of the antique store, you have made a significant contribution to their future.

The House of Representatives joins Representative Walter Blevins in recognizing you.

Orders of the Day (continued)

Representative Stumbo moved that the House refuse to recede from its Amendments to **SB 268**. Agreed.

The Speaker announced the following members to serve on a Conference Committee on **SB 268**: Representatives Lear, Chairman; Long, Bronger, Gedling and Strong.

HB 220, with Senate Committee Substitute attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Committee Substitute to **HB 220** is as follows:

HB 220, AN ACT relating to transportation of pupils.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 189.370 is amended to read as follows:

(1) *If [Whenever] any school [bus] or church bus used in the transportation of children is stopped upon a highway for the purpose of receiving or discharging passengers, with the stop arm and signal lights activated, the operator of a vehicle approaching from any direction shall bring his vehicle to a [complete] stop and shall not proceed [start up or attempt to pass] until the bus has completed receiving or discharging passengers and has been put into motion. The [; provided; that this] stop requirement provided for in this section shall not apply to vehicles approaching a stopped bus from [proceeding in] the opposite direction [from a church or school bus which is stopped] upon a [multi-lane] highway of four (4) or more lanes.*

(2) *Subsection (1) of this section shall be applicable only when the bus displays the markings and equipment required by Kentucky minimum specifications for school buses [in the event the bus bears on the front and rear a plainly visible sign containing the words "School Bus" or "Church Bus," whichever is appropriate, in letters not less than six (6) inches in height, which can be covered when the vehicle is not in use as a school or church bus].*

(3) *If any vehicle is witnessed to be in violation of subsection (1) of this section and the identity of the operator is not otherwise apparent, it shall be a rebuttable presumption that the person in whose name the vehicle is registered or leased was the operator of the vehicle at the time of the alleged violation and is subject to the penalties as provided for in KRS 189.990(6).*

Section 2. KRS 189.375 is amended to read as follows:

No school or church bus shall be licensed or operated for the transportation of school children unless it is equipped with bus alternating flashing signal lamps and a stop arm folding sign. The bus body shall be equipped with a system of four (4) red signal lamps, two (2) on the front and two (2) on the rear of the bus, and four (4) amber signal lamps. Each amber signal lamp shall be located near each red signal lamp, at the same level, but closer to the vertical centerline of the bus. The bus body shall be equipped with a stop arm [has a] folding sign on the driver's side [thereof] with letters at least six (6) inches in height displaying the word "stop" on both sides. Prior to [Before] stopping the school bus for the purpose of receiving [and while loading] or discharging school children, the driver shall activate the amber flashing signal lamps. Once the bus comes to a complete stop, the driver shall extend the stop arm and activate the red flashing signal lights prior to opening the door [open out the sign] so [that] it shall [will] be plainly visible to traffic approaching from both directions that the bus is in the process of receiving or discharging passengers. No driver shall stop a school or church bus for receiving or discharging passengers [loading or unloading purposes] in a no passing zone [area such as a hill or curve] which does not afford reasonable visibility to approaching motor vehicles from both directions. No driver shall stop a school [bus] or church bus [and allow it to remain standing] for the purpose of receiving passengers from or discharging passengers to the opposite side of the road on a [multi-lane] highway of four (4) or more lanes; provided, that this provision does not prohibit the discharging of passengers [who desire to cross the highway] at a marked pedestrian crossing [after the bus has proceeded].

Section 3. KRS 189.380 is amended to read as follows:

(1) *No person shall turn a vehicle or move right or left upon a roadway [unless and] until such movement can be made with reasonable safety nor without giving an appropriate signal in the manner hereinafter provided.*

(2) *A signal indicating [of] the intention to turn right or left shall be given continuously for not less than the last one hundred (100) feet traveled by the vehicle before the turn [turning].*

(3) *No bus driver [person] shall stop or suddenly decrease the speed of a vehicle without first giving an appropriate signal to traffic following the bus [in the manner provided herein to the operator of any vehicle immediately in the rear when there is opportunity to give such signal].*

(4) *All signals required herein shall be given [either] by [means of the hand and arm or by a] signal [lamp or] lamps or [a] mechanical signal devices. [device; except that the operator of a motor vehicle used for the transportation of persons for hire with taxicabs excluded; the operator of a school or church bus; and the operator of any vehicle so constructed or loaded that a hand and arm signal would not be visible both to the front and rear of such vehicle shall indicate an intention to turn by use of a signal lamp or lamps or mechanical signal device and must indicate an intention to stop or suddenly decrease speed by illuminating*

at least one (1) red or yellow light with the word "Stop" on it on the rear of the vehicle.

(5) All signals herein required given by hand and arm shall be given from the left side of the vehicle in the following manner, and such signals shall indicate as follows:

- (a) Left turn — hand and arm extended horizontally;
- (b) Right turn — hand and arm extended upward;
- (c) Stop or decrease speed — hand and arm extended downward.]

Section 4. KRS 189.540 is amended to read as follows:

(1) The state board of education [by and with the advice of the state police] shall adopt [and enforce] regulations to govern the design and operation of all *Kentucky* school buses. *The board shall, with the advice and aid of the Kentucky state police, enforce the regulations governing the operation of all school buses whether owned [used for the transportation of school children when buses are owned and operated] by a [any] school district or privately contracted [owned and operated under contract with any school district]. The [Such] regulations covering the operation shall by reference be made a part of any [such a] contract with a school district. Every school district and private contractor referred to under this subsection[, its officers and employees and every person employed under contract by a school district] shall be subject to those regulations.*

(2) Any [officer or] employe of any school district who violates any of the regulations [or fails to include obligations to comply with the regulations] in any contract executed [by them] on behalf of a school district shall be [guilty of misconduct and] subject to removal from office [or employment]. Any person operating a school bus under contract with a school district who fails to comply with any of the regulations shall be guilty of breach of contract and the [his] contract shall be canceled after proper notice and a hearing by the responsible officers of such school district.

Section 5. KRS 189.550 is amended to read as follows:

Operators of all buses and motor vehicles used for transporting children [to or from school or church] shall stop their [motor] vehicles before crossing [over] any [steam or electric interurban] railroad when [main] tracks are at the same level of the roadway [a grade]. The stop shall be made [at] not less than ten (10) feet [40'] nor more than thirty (30) feet [30'] from the nearest track [railroad] over which the highway crosses, except where the crossing is protected by gates or a flagman employed by the railroad. After making the stop, the operator shall open the service door and carefully look in each direction and listen for approaching [cars or] trains or maintenance vehicles before proceeding [and shall not start his vehicle until it is ascertained that no cars or trains are approaching in either direction].

Section 6. KRS 189.990 is amended to read as follows:

(1) Any person who violates any of the provisions of KRS 189.020 to 189.040, subsections (1), (2) and (5) of KRS 189.050, KRS 189.060 to 189.080, subsections (1) to (3) of KRS 189.090, KRS 189.100, 189.110, 189.130 to 189.160, subsections (2) to (4) of KRS 189.190, KRS 189.200, 189.290, 189.300 to 189.360, KRS 189.380, KRS 189.400 to 189.430, 189.450 to 189.480, subsection (1) of KRS 189.520, KRS 189.540, subsection (1) of KRS 189.560, KRS 189.570 to 189.630, except subsection (1) of KRS 189.580, KRS 189.345, subsection (4) of KRS 189.456 and 189.960, shall be fined not less than twenty dollars (\$20) nor more than one hundred dollars (\$100) for each offense. Any person who violates subsection (1) of KRS 189.580 shall be fined not less than twenty dollars (\$20) nor more than two thousand dollars (\$2,000) or imprisoned in the county jail for not more than one (1) year, or both. Any person who violates paragraph (c) of subsection (4) of KRS 189.390 shall be fined not less than eleven dollars (\$11) nor more than thirty dollars (\$30). Neither court costs nor fees shall be taxed against any person [convicted of] violating paragraph (c) of subsection (4) of KRS 189.390.

(2) (a) Any person who violates the weight provisions of KRS 189.221, 189.222, 189.226, 189.230, 189.270 or 189.271 shall[, upon conviction,] be fined [in an amount equal to] two cents (2) per pound for each pound of excess load when the excess is two thousand (2,000) pounds or less, three cents (3) per pound when the excess exceeds two thousand (2,000) pounds and is three thousand (3,000) pounds or less, five cents (5) per pound when the excess exceeds three thousand (3,000) pounds and is four thousand (4,000) pounds or less,

seven cents (7) per pound when the excess exceeds four thousand (4,000) pounds and is five thousand (5,000) pounds or less, and nine cents (9) per pound when the excess exceeds five thousand (5,000) pounds but in no case shall the fine be less than sixty dollars (\$60) nor more than five hundred dollars (\$500).

(b) Any person who violates any provision of subsections (3) and (4) of KRS 189.050, subsection (4) of KRS 189.090, KRS 189.221 to 189.230, 189.270, 189.280, or 189.490, for which another penalty is not specifically provided, shall be guilty of a misdemeanor and ~~upon conviction thereof,~~ shall be fined not less than ten dollars (\$10) nor more than five hundred dollars (\$500).

(c) Nothing in this subsection or in KRS 189.221 to 189.228 shall be deemed to prejudice or affect the authority of the department of vehicle regulation to suspend or revoke certificates of common carriers, permits of contract carriers, or drivers' or chauffeurs' licenses, for any violation of KRS 189.221 to 189.228 or any other act applicable to motor vehicles, as provided by law.

(3) Any person who violates KRS 189.170 shall be fined not less than fifteen dollars (\$15) nor more than fifty dollars (\$50) for each day he operates a truck in violation *thereof* ~~of KRS 189.170~~.

(4) (a) Any person who violates subsection (1) of KRS 189.190 shall be fined not more than fifteen dollars (\$15).

(b) Any person who violates subsection (5) of KRS 189.190 shall be fined not less than thirty-five dollars (\$35) nor more than two hundred dollars (\$200).

(5) (a) Any person who violates subsection (1) of KRS 189.210 shall be fined not less than twenty-five dollars (\$25) nor more than one hundred dollars (\$100).

(b) Any peace officer who fails, when properly informed, to enforce KRS 189.210 shall be fined not less than twenty-five dollars (\$25) nor more than one hundred dollars (\$100).

(c) All fines collected under this subsection, after payment of commissions to officers entitled thereto, shall go to the county road fund if the offense is committed in the county, or to the city street fund if committed in the city.

(6) Any person who violates KRS 189.370 shall for the first offense be fined not less than one hundred dollars (\$100) nor more than two hundred dollars (\$200) or imprisoned not less than thirty (30) days nor more than sixty (60) days or both. For each subsequent offense occurring within three (3) years, such person shall be fined not less than three hundred dollars (\$300) nor more than five hundred dollars (\$500) or imprisoned not less than sixty (60) days nor more than six (6) months, or both. The minimum fine for this violation shall not be subject to suspension. A minimum of six (6) points shall be assessed against the driving record of any person convicted ~~[who violates subsection (1) of KRS 189.370 shall be fined not more than five hundred dollars (\$500) or imprisoned for not more than six (6) months, or both].~~

(7) Any person who violates KRS 189.500 shall be fined not more than fifteen dollars (\$15) in excess of the cost of the repair of the road.

(8) Any person who violates KRS 189.510 shall be fined not less than twenty dollars (\$20) nor more than fifty dollars (\$50).

(9) Any peace officer who violates subsection (2) of KRS 189.520 shall be fined not less than thirty-five dollars (\$35) nor more than one hundred dollars (\$100).

(10) Any person who violates KRS 189.530 shall be fined not less than thirty-five dollars (\$35) nor more than one hundred dollars (\$100) or imprisoned not less than thirty (30) days nor more than twelve (12) months, or both.

(11) Any person who violates any of the provisions of KRS 189.550 shall be fined not less than *fifty* ~~[twenty]~~ dollars ~~(\$50) [(\$20)]~~ nor more than one hundred dollars (\$100) for each offense.

(12) Any person who violates subsection (2) of KRS 189.560 shall be fined not less than thirty dollars

(\$30) nor more than one hundred dollars (\$100) for each offense.

(13) The fines imposed by paragraph (a) of subsection (4) and subsections (7) and (8) of this section shall, in the case of a public highway, be paid into the county road fund, and in case of a privately owned road or bridge be paid to the owner. These fines shall not bar an action for damages for breach of contract.

(14) Any person who violates any of the provisions of KRS 189.120 shall be fined not less than twenty dollars (\$20) nor more than one hundred dollars (\$100) for each offense.

(15) Any person who violates any provision of KRS 189.575 shall[; ~~upon conviction thereof,~~] be fined not less than twenty dollars (\$20) nor more than twenty-five dollars (\$25).

(16) Any person who violates subsection (2) of KRS 189.231 shall be fined not less than twenty dollars (\$20) nor more than one hundred dollars (\$100) for each offense.

(17) (a) Any person who violates any of the provisions of KRS 189.565 shall be fined not less than twenty dollars (\$20) nor more than two hundred dollars (\$200), or imprisoned for not more than thirty (30) days or both.

(b) In addition to the penalties prescribed in paragraph (a) of this subsection, in case of violation by any person in whose name such vehicle used in the transportation of inflammable liquids or explosives is licensed, such person shall be fined not less than one hundred dollars (\$100) nor more than five hundred dollars (\$500). Each violation shall constitute a separate offense.

(18) Any person who abandons a vehicle upon the right-of-way of a state highway for seven (7) consecutive days shall be fined not less than thirty-five dollars (\$35) nor more than one hundred dollars (\$100) or imprisoned for not less than ten (10) days nor more than thirty (30) days.

(19) Every person *violating*[~~convicted for violation of~~] KRS 189.393 shall be punished upon a first conviction by imprisonment for a period of not less than five (5) days nor more than ninety (90) days, or by fine of not less than thirty-five dollars (\$35) nor more than five hundred dollars (\$500), or by both such fine and imprisonment, and on a second or subsequent conviction shall be punished by imprisonment for not less than ten (10) days nor more than six (6) months, or by a fine of not less than sixty dollars (\$60) nor more than one thousand dollars (\$1,000), or by both such fine and imprisonment.

(20) Any law enforcement agency which fails or refuses to forward the reports required by KRS 189.635 shall be subject to the penalties prescribed in KRS 17.157.

(21) A person who elects to operate a bicycle in accord with any regulations adopted pursuant to KRS 189.287 and who willfully violates a provision of such a regulation shall be fined not less than ten dollars (\$10) nor more than one hundred dollars (\$100). A person who operates a bicycle without complying with any regulations adopted pursuant to KRS 189.287 or vehicle safety statutes shall be prosecuted for violation of the latter.

(22) Any person who violates KRS 189.860 shall be fined not more than five hundred dollars (\$500) or imprisoned for not more than six (6) months, or both.

(23) Any person who violates KRS 189.754 shall be fined not less than twenty-five dollars (\$25) nor more than three hundred dollars (\$300).

(24) Fines levied pursuant to this chapter shall be assessed in the manner required by KRS 534.020, [~~but~~] in amounts consistent with this chapter. [~~and the response to~~] Nonpayment of fines shall be governed by KRS 534.060.

Representative Mack moved that the House concur in Senate Committee Substitute to HB 220. Agreed

Representative Mack moved that HB 220, as amended by the Senate Committee Substitute, be passed.

On the roll call the vote was: Yeas 79, Nays 0. (See March 29, 1988 roll call on HB 220 - Appendix

A.)

HB 220, as amended by the Senate Committee Substitute, was passed and the title agreed to.

Representative Mack moved that the vote by which **HB 220**, as amended by the Senate Committee Substitute, was passed be reconsidered and said motion be placed on the table: Agreed.

Senate Message

SB 324 returned with the following message: The Senate has refused to concur in House Floor Amendments No. 2, 3, 4 and Title to **SB 324** and respectfully returns it with the request that this Honorable Body recede from the Amendments.

Orders of the Day (continued)

HB 587, with Senate Amendment attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Floor Amendment No. 3 to **HB 587** is as follows:

Amend printed copy of **HB 587** on page 2, after line 14, by adding the following:

"SECTION 5. A NEW SECTION OF SUBTITLE 18 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

Pooling of claims experience for groups with fewer than fifty (50) insureds shall be required. No more than twenty-five percent (25%) of the premium for these groups shall be based on their own claims experience. This provision shall not permit competing health insurers or health maintenance organizations to jointly pool health insurance claims experience, health maintenance organization claims experience, or both, or to jointly develop rates.

SECTION 6. A NEW SECTION OF SUBTITLE 38 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

Pooling of claims experience for groups with fewer than fifty (50) insureds shall be required. No more than twenty-five percent (25%) of the premium for these groups shall be based on their own claims experience. This provision shall not permit competing health insurers or health maintenance organizations to jointly pool health insurance claims experience, health maintenance organization claims experience, or both, or to jointly develop rates."

Representative Long moved that the House concur in Senate Floor Amendment No. 3 to **HB 587**. Agreed

Representative Long moved that **HB 587**, as amended by the Senate, be passed.

On the roll call the vote was: Yeas 85, Nays 0. (See March 29, 1988 roll call on **HB 587** - Appendix A.)

HB 587, as amended by the Senate, was passed and the title agreed to.

Representative Long moved that the vote by which **HB 587**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

Representative Mack moved that the rules be suspended to act upon a Resolution. Agreed.

Representative Mack moved the adoption of the following **HR 205**:

HR 205. A RESOLUTION congratulating Lexington Catholic High School on being State winners

of the National Bicentennial Competition on the Constitution and Bill of Rights.

WHEREAS, the National Bicentennial Competition on the Constitution and Bill of Rights is an educational program cosponsored by the Commission on the Bicentennial of the United States Constitution; and

WHEREAS, the program is designed to commemorate the framing and adoption of the Constitution and Bill of Rights and to revitalize educational programs on the Constitution in our nation's schools; and

WHEREAS, this competition requires an understanding of the Constitution and the Bill of Rights and the responsibilities of citizens in our Constitutional Democracy; and

WHEREAS, the Lexington Catholic High School team of 12 students has demonstrated an excellent understanding of these subjects in winning both the District and State competitions; and

WHEREAS, Lexington Catholic will represent Kentucky in Washington, D.C. and vie with other states to be among the 10 finalists that will compete in the Supreme Court Chambers for the National title;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House of Representatives congratulates the Lexington Catholic High School team on being state winners of the National Bicentennial Competition on the Constitution and Bill of Rights and wishes them well in their pursuit of the National title.

Section 2. That the House of Representatives also commends Mr. Mark Batson and Ms. Nancy Gilligan for the preparation and support given to their students for this competition.

Section 3. That copies of this resolution be dispatched to Sister Mary Lea Paolucci, principal of Lexington Catholic for distribution to the teachers and team.

HR 205 was adopted by voice vote.

HB 81, with Senate Amendments attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Committee Amendment No. 1 to **HB 81** is as follows:

Amend printed copy of **HB 81** on page 9, after line 14, by inserting the following:

"Section 4. Whereas, current conditions require immediate action, this Act shall become effective upon its passage and approval by the Governor."

The Senate Committee Title Amendment No. 2 to **HB 81** is as follows:

Amend printed copy of **HB 81** by changing the title to read: "AN ACT relating to traffic safety and declaring an emergency."

Representative Kerr moved that the House concur in Senate Committee Amendment No. 1 to **HB 81**. Agreed

Representative Kerr moved that **HB 81**, as amended by the Senate, be passed.

On the roll call the vote was: Yeas 85, Nays 0. (See March 29, 1988 roll call on **HB 81** - Appendix A.)

HB 81, as amended by the Senate, was passed.

Representative Kerr moved that the House concur in Senate Committee Title Amendment No. 2 to **HB 81**. Agreed; and the title was agreed to.

Representative Kerr moved that the vote by which **HB 81**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 317, with Senate Amendment attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Committee Amendment No. 1 to **HB 317** is as follows:

Amend printed copy of **HB 317** on line 11, after "*effect*" by inserting:

“, and shall show the card to a peace officer upon request”.

Representative Curd moved that the House concur in Senate Committee Amendment No. 1 to **HB 317**. Agreed

Representative Curd moved that **HB 317**, as amended by the Senate, be passed.

On the roll call the vote was: Yeas 72, Nays 11. (See March 29, 1988 roll call on **HB 317** - Appendix A.)

HB 317, as amended by the Senate, was passed and the title agreed to.

Representative Curd moved that the vote by which **HB 317**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 458, with Senate Amendment attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Floor Amendment No. 1 to **HB 458** is as follows:

Amend printed copy of **HB 458** on page 20, line 26, by adding thereafter the following "Section 5. KRS 61.552 is amended to read as follows:

(1) Any employee of a department participating in the Kentucky employees retirement system, or any employee of an agency participating in the county employees retirement system, or any member of the state police retirement system, or any active contributing member of the teachers' retirement system or a contributing member of the judicial retirement plan or legislators' retirement plan or an employee of a parted employer whose employment has previously been terminated and who has been refunded his accumulated contributions, thereby losing service credit, may regain such credit by paying to the system from which he received the refund or refunds the amount or amounts refunded with interest at a rate determined by the board of the respective retirement system provided, however, the provisions of KRS 161.470 must be met in order to regain such credit in the teachers' retirement system and provided further that KRS 21.460 shall govern with respect to regaining credit in the judicial retirement plan or legislators' retirement plan. Such payment including interest as determined by the board shall be deposited to the member's contribution account and considered as accumulated contributions of the individual member. Such payments shall not be picked up, as described in KRS 61.560(4), by the employer.

(2) Any employee of a county participating in the county employees retirement system or any former county employee who is an employee of a participating department in the Kentucky employees retirement system or a contributing member of the state police retirement system, teachers' retirement system, judicial retirement plan or legislators' retirement plan who did not elect membership in the county employees retirement system as provided in subsection (2) of KRS 78.540 may obtain credit in the county employees retirement system for prior service and for current service by paying to the county employees retirement system a delayed contribution payment for the service he would have received had he elected membership. The delayed contribution payment shall not be picked up, as described in KRS 61.560(4), by the employer.

(3) Any employee of a participating department or any former state employee who is an employee of a county participating in the county employees retirement system or a contributing member of the state police retirement system, teachers' retirement system, judicial retirement plan or legislators' retirement plan who did not elect membership in the Kentucky employees retirement system as provided in subsection (2) of KRS 61.525 may obtain credit in the Kentucky employees retirement system for prior service and for current service by paying to the system a delayed contribution payment for the service he would have received had he elected membership. The delayed contribution payment shall not be picked up, as described in KRS 61.560(4), by the employer.

(4) An employee of a participating department which did not participate in the system effective July 1, 1956, or any former state employee who is an employee of a county participating in the county employees retirement system or a contributing member of the state police retirement system, teachers' retirement system, judicial retirement plan or legislators' retirement plan may obtain credit in the Kentucky employees retirement system for current service between July 1, 1956, and the effective date of participation of his department by paying to the system a delayed contribution payment for the service he would have received had his department participated on July 1, 1956. The delayed contribution payment shall not be picked up, as described in KRS 61.560(4), by the employer. *Effective August 1, 1988, each employee of the Kentucky racing commission who was employed by the racing commission on the date that agency first participated in the Kentucky employees retirement system, whether or not the employee was eligible to participate in the retirement system on that date, shall receive current service credit for all employment with the racing commission from July 1, 1956, to the date the employee first began participating in the retirement system. The cost of the service credit shall be paid at the time of each member's retirement by the racing commission and shall be credited to the retirement allowance account.*

(5) An employee or former employee, not yet retired who has not withdrawn his contributions pursuant to KRS 61.625, of a county participating in the county employees retirement system which did not participate in the system effective July 1, 1958, may obtain credit in the county employees retirement system for current service between July 1, 1958, and the effective date of participation of his county by paying to the county employees retirement system a delayed contribution payment for the service he would have received had his county participated on July 1, 1958. The delayed contribution payment shall not be picked up, as described in KRS 61.560(4), by the employer.

(6) Effective July 15, 1986, service credit obtained under subsections (1) to (4) of this section shall be disallowed and the recontribution of refund including interest as determined by the board and the delayed contribution payment, if any, shall be paid to the member, upon request, or in the event of his death to his properly designated beneficiary if the member does not obtain for service performed six (6) months current service credit in either the Kentucky employees retirement system, county employees retirement system, state police retirement system, teachers' retirement system, judicial retirement plan or legislators' retirement plan, or as an employee of a parted employer.

(7) Any employee of a county participating in the county employees retirement system, or any employee of a department participating in the Kentucky employees retirement system, who has obtained for service performed six (6) months current service credit in either retirement system, who formerly worked for a state university in a position which would have qualified as a regular full-time position had the university been a participating department, and who did not have the option to be covered at the university by an advance funded retirement program in which he could vest during his period of employment, or did not participate in a retirement system which can be consolidated with other accounts pursuant to KRS 61.680(2), may obtain credit in the county employees retirement system or the Kentucky employees retirement system for prior and current service by paying either retirement system a delayed contribution payment for the service he would have received had his period of university employment been covered by the county employees or Kentucky employees retirement system. The delayed contribution payment shall not be picked up, as described in KRS 61.560(4), by the employer.

(8) (a) Effective August 1, 1980, any county participating in the county employees retirement system may purchase current service, between July 1, 1958 and participation date of the county, for present employees of the county who have obtained coverage under KRS 78.540(2);

(b) Effective July 1, 1973, any department participating in the Kentucky employees retirement system may purchase current service between July 1, 1956 and participation date of the department, for present employees of the department who were employees on the participation date of the department and elected coverage under KRS 61.525(2);

(c) Cost of the service credit purchased under this subsection shall be determined by computing the discounted value of the additional service credit based on an actuarial formula recommended by the board's consulting actuary and approved by the board. A department shall make payment for such service credit within the same fiscal year in which the option is elected. The county shall establish a payment schedule subject to approval by the board for payment of such service credit. The maximum period allowed in a payment schedule shall be ten (10) years with interest at the rate actuarially assumed by the board; however, a shorter period is desirable and the board may approve any schedule provided it is not longer than a ten (10) year period:

(d) If a county or department elects the provisions of this subsection any present employee who would be eligible to receive service credit under the provisions of this subsection and has purchased service credit under subsection (4) or (5) of this section shall have his payment for such service credit refunded with interest at the rate paid under KRS 61.575 or KRS 78.640:

(e) Any payments made by a county or department under this subsection shall be deposited to the retirement allowance account of the proper retirement system and these funds shall not be considered accumulated contributions of the individual members.

(9) Interest paid by a member of the Kentucky employees retirement system, county employees retirement system, or state police retirement system under this section or other similar statutes under KRS 16.510 to 16.652 or 61.515 to 61.705 or 78.520 to 78.852 prior to June 19, 1976 shall be credited to the individual member's contribution account in the appropriate retirement system and considered as accumulated contributions of the member.

(10) Members who served as assistants to officers and employees of the general assembly who were unable to acquire service under KRS 61.510(20) may purchase credit for such service performed after January 1, 1960, provided the service purchased when added to other accumulated service will total at least forty-eight (48) months. Service credit under this section shall be obtained by the payment of a delayed contribution which shall not be picked up by the employer as described in KRS 61.560(4).

(11) Effective August 1, 1986, any employee of a county participating in the county employees retirement system, or any employee participating in the Kentucky employees retirement system, or any employee participating in the state police retirement system may purchase service credit for seasonal, emergency, or temporary employment or part-time employment averaging one hundred (100) or more hours of work per month on an annual or fiscal year basis. The cost will be determined by computing the member and employer contributions for the period of time involved plus interest compounded annually at the current actuarial rate, which shall not be picked up by the employer as described in KRS 61.560(4).

(12) A retired member, who is contributing to one (1) of the state administered retirement programs and purchases service credit under this section in the system or systems from which he is retired, will have his retirement allowance recomputed:

(a) Upon termination from employment if the member is contributing to the same system or systems from which he was retired; or

(b) Upon completion of six (6) months' service credit as required under subsection (6) of this section if the member is contributing to a system other than the system or systems from which he is retired.

(13) Any employee participating in the state police retirement system, Kentucky employees retirement system, or the county employees retirement system may obtain credit for prior or current service for any period of approved educational leave by paying to the respective retirement system a delayed contribution payment. The delayed contribution payment shall not be picked up, as described in KRS 61.560(4), by the employer, and shall be deposited to the individual member's account.

(14) Any employee participating in the state police retirement system, Kentucky employees retirement system, or the county employees retirement system may obtain credit for prior or current service for any period of approved maternity leave granted prior to January 1, 1972, by paying to the respective retirement system a delayed contribution payment. The delayed contribution payment shall not be picked up, as described in KRS 61.560(4), by the employer, and shall be deposited to the individual member's account."

Representative Crupper moved that the House concur in Senate Floor Amendment No. 1 to **HB 458**.

Agreed

Representative Hancock moved that **HB 458**, as amended by the Senate, be passed.

On the roll call the vote was: Yeas 81, Nays 1. (See March 29, 1988 roll call on **HB 458** - Appendix A.)

HB 458, as amended by the Senate, was passed and the title agreed to.

Representative Hancock moved that the vote by which **HB 458**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 543, with Senate Amendment attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Committee Amendment No. 1 to **HB 543** is as follows:

Amend printed copy of **HB 543** on page 16, line 8, by deleting all language beginning with "Section 2." through the period (.) on line 1, page 18.

Representative Moberly moved that the House refuse to concur in Senate Committee Amendment No. 1 to **HB 543**. Agreed.

HB 678, with Senate Amendment attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Committee Amendment No. 1 to **HB 678** is as follows:

Amend printed copy of **HB 678** on pages 1 through 5, by deleting Sections 1 and 2 in their entirety and inserting the following in lieu thereof:

"Section 1. KRS 158.650 is amended to read as follows:

As used in KRS 158.660 to 158.750 [~~158.730~~], unless the context otherwise requires:

- (1) "Department" means the state department of education;
- (2) "Competencies" means the possession of skills, knowledge and understandings to the degree they can be demonstrated or measured;
- (3) "Basic skills" means reading, writing, spelling, mathematics, and library research reference skills;
- (4) "Product goals" means expected student and school district outcomes as approved by the state board of education;
- (5) "Process goals" means systematic and orderly procedures including specific actions and time frames to be followed in achieving product goals;
- (6) "Library research reference skills" means the ability to locate and utilize various sources of information;
- (7) "Essential skills" means those skills identified in academic subject areas by the state board of education as being necessary for a student to master.

(8) "Standards" means acceptable levels of attainment school districts shall meet in program and service offerings and students shall meet in attaining competencies in the *basic* [~~essential~~] skills as established by the state board of education;

(9) "Educationally deficient school districts" means school districts which do not meet minimum standards in program and service offerings or in which insufficient numbers of students meet minimum standards of attainment of competencies in the *basic [essential]* skills;

(10) "Annual performance report" means the report published annually by each local board of education that presents the district's performance with regard to product goals as established by state board of education regulations;

(11) "Accreditation report" means the report prepared by a department evaluation team and approved by the state board of education that assesses the availability and adequacy of the resources that are needed in a local school district to provide an adequate education program as defined by state board of education regulation; and

(12) "Educational improvement plan" means the plan developed by a local school district in consultation with, and approved by, the state board of education that establishes the process goals to correct identified deficiencies in product goals and is approved by the local board of education and the state board of education.

Section 2. KRS 158.660 is amended to read as follows:

It is the intention of the general assembly in enacting KRS 158.650 to *158.750* ~~158.740~~:

(1) To assure the right of each student in the public schools of this state to acquire the competencies in the *basic [essential]* skills necessary for completing high school, pursuing a course of study in post secondary education, or entering the work force in our society;

(2) To assure each student in the public schools access to those programs and services appropriate to his educational needs in the areas of competencies in the *basic [essential]* skills;

(3) To assure that each school district will be held accountable for students in meeting standards of attainment of competencies in the *basic [essential]* skills and for meeting standards in providing programs and services for students;

(4) To require the state board of education to establish standards by which acceptable levels of attainment shall be determined; and

(5) To require the state board of education to identify school districts which are educationally deficient and to provide such districts with program, financial, and other consultation and assistance as necessary to develop and implement strategies and programs to eliminate deficiencies.

Section 3. KRS 158.670 is amended to read as follows:

The department of education shall administer the provisions of KRS 158.660 to *158.750* ~~158.730~~ pursuant to regulations adopted by the state board of education upon recommendation of the superintendent of public instruction.

Section 4. KRS 158.680 is amended to read as follows:

There shall be appointed by the governor a state advisory committee for educational improvement in accordance with the following:

(1) The state advisory committee for educational improvement shall be eighteen (18) members broadly representative of citizens, parents, teachers and administrators. Their principal duties shall be to advise the governor *the state board of education* and department in the implementation of the provisions of KRS 158.660 to *158.750* ~~158.730~~.

(2) All members shall be voting members appointed by the governor and shall serve terms of four (4) years, except that the original appointments will be made as follows:

- (a) Five (5) members for four (4) year terms;
- (b) Five (5) members for three (3) year terms;
- (c) Four (4) members for two (2) year terms; and
- (d) Four (4) members for a one (1) year term.

(3) The state advisory committee for educational improvement shall elect a chairman annually from its membership;

(4) The members shall be remunerated for actual and necessary expenses incurred while attending meetings of the state advisory committee for educational improvement or while serving in the capacity as representative of the state advisory committee for educational improvement.

(5) The state advisory committee for educational improvement shall meet at least three (3) times each year at such times and places as it determines by resolution.

Section 5. KRS 158.685 is amended to read as follows:

(1) The state board of education shall establish standards which school districts shall meet in program and service offerings and set forth the minimum performance for students in attaining competencies in the *basic skills and the essential skills* pursuant to KRS 158.660.

(2) The state board of education shall declare a school district to be educationally deficient when, in any school year, the district fails to meet or make satisfactory progress toward meeting minimum program and service standards or an insufficient number of students, as defined by state board of education regulations, fail to attain or fail to make satisfactory progress toward attaining minimum competency in the *basic skills and the essential skills* standards established pursuant to subsection (1) of this section.

(3) The superintendent of public instruction, upon approval of the state board of education, shall provide consultation and assistance to any school district which has been declared educationally deficient by the state board of education in eliminating the deficiency. The school districts shall be provided consultation and guidance relative to programs, services, finances, personnel, and any other areas wherein appropriate changes would be reasonably calculated to eliminate or alleviate the deficiency and in developing and implementing an educational improvement plan pursuant to KRS 158.710. Such changes, whenever allowable under Kentucky Revised Statutes, may include more expeditious correction of accreditation report deficiencies, improved personnel administration, more efficient management practices and other administrative and academic actions to improve the local districts' performance.

(4) Failure by an educationally deficient school district to implement the approved educational improvement plan shall be grounds for the superintendent of public instruction, with the concurrence of the state board of education, to intervene in the operation of a local school district and limit the authority of the local superintendent and local board of education to act in the following areas:

- (a) Expenditure of funds;
 - (b) Employment and dismissal of personnel;
 - (c) Establishment and modification of the school calendar;
 - (d) Instructional program and policies;
 - (e) Student code of conduct; and
 - (f) Other areas as may be designated by state board of education regulation.
- (5) Action initiated pursuant to subsection (4)(b) of this section, relative to employment and dismissal

of personnel, shall be in accordance with the provisions of KRS 161.720 to 161.810 and 161.990. To facilitate the implementation of the educational improvement plan in an educationally deficient school district, the superintendent of public instruction, with the approval of the state board of education, may require an annual reallocation of an amount not to exceed twenty-five percent (25%) of the power equalization program funds received by the district to address program and service needs outlined in the educational improvement plan.

(6) Failure to implement the educational improvement plan shall constitute grounds for removal from office pursuant to KRS 156.132 to 156.136. This section shall not be deemed to create a statutory cause of action for educational malpractice by students, their parents or guardians.

Section 6. KRS 158.690 is amended to read as follows:

The department shall ~~[develop and]~~ implement a statewide assessment program in accordance with the following:

(1) This program shall be for the purpose of measuring and reporting student progress and achievement in the basic skills in grades three (3), five (5), seven (7) and ten (10) and other product goal and competency areas as determined by the state board of education upon recommendation of the superintendent of public instruction;

(2) Appropriate tests shall be administered annually;

(3) Results of these tests shall be compiled on a statewide, district and school basis by the department and shall be reported to the governor, the state advisory committee for educational improvement, the legislative research commission, the state board of education, and local boards of education. The report of scores *for testing required by KRS 158.750* shall be the percent of students mastering each essential skill in each area by grade level. Local boards of education shall publish in the newspaper with the largest circulation in the county by October 1 of each year an annual performance report on district accomplishments and activities pertaining to product goals including, but not limited to, retention rates and student performance on basic and essential skills tests by grade level, the districts' goals for the succeeding year and other items as may be set forth in state board of education regulations; and

(4) The results of these tests shall be used by local boards of education for the development of educational improvement plans and shall not be used for the evaluation of teachers or administrators for the purpose of promotion, demotion, transfer, or dismissal, nor for state ranking of school districts other than by grade level.

Section 7. KRS 158.700 is amended to read as follows:

The department shall assume the following functions in implementing the educational improvement act:

(1) The department shall purchase *standardized nationally-normed* ~~[or cause to be developed]~~ tests appropriate to the Commonwealth of Kentucky for measuring student progress and achievement in the basic skills in grades 3, 5, 7 and 10. These tests shall be reviewed for appropriateness ~~[and shall be modified or revised]~~ as [is] necessary;

(2) ~~[The department shall purchase or cause to be developed tests appropriate to 3rd, 5th, 7th, and 10th grade students in Kentucky for measuring proficiency in other product goal areas as determined by the state board of education upon recommendation of the superintendent of public instruction. These tests shall be reviewed for appropriateness and shall be modified or revised as is necessary;~~

~~(3)~~ The department shall cause to be administered annually, all tests specified in *subsection* ~~[subsections]~~ (1) ~~[and (2)]~~ of this section to all students in grades 3, 5, 7 and 10 in all of the public schools of the state. The department shall allow local school districts to exempt exceptional children, as defined in KRS 157.200, for whom the tests specified in *subsection* ~~[subsections]~~ (1) ~~[and (2)]~~ of this section are determined inappropriate because of the nature and severity of the handicapping condition if recommended by the admissions and release committee;

~~(3)~~ ~~(4)~~ The department shall score or cause to be scored all tests specified in *subsection* ~~[subsections]~~ (1) ~~[and (2)]~~ of this section, compile results for each local school district, and return these results to the appropriate

district by August 1 of each year;

(4) [(5)] The department shall, upon the request of a local school district, provide assistance in interpreting test results;

(5) [(6)] The department shall, upon request of a local school district, provide technical assistance in the area of program development and in districts declared educationally deficient by the state board of education, the department shall provide assistance as provided in KRS 158.685(3); *and*

(6) [(7)] The department shall review and approve local plans for educational improvement consistent with guidelines approved by the state board of education[; ~~and~~

(8) ~~The department of education shall annually review both state process and product goals and modify when appropriate].~~

Section 8. KRS 158.710 is amended to read as follows:

Each local school district in the state shall assume the following responsibilities and functions in implementing the provisions of KRS 158.660 to 158.750 [~~158.730~~]:

(1) Each local school district shall develop a plan to improve the education of all students in grades 1 through 12. In developing these plans and prior to their approval by the local board of education, local districts shall involve local citizens, parents, students, teachers, and administrators. School districts declared to be educationally deficient by the state board of education under KRS 158.685 shall involve department of education consultants in the development of their plan;

(2) Each local district board of education shall by May 1, 1983, and every three (3) years thereafter, submit to the state department of education for approval a local plan for educational improvement which will be in effect for three (3) years or until such time as it is revised, whichever occurs first. If a plan is revised, succeeding plans will be submitted to the state department of education every three (3) years from the date of revision. School districts declared to be educationally deficient by the state board of education under KRS 158.685 shall submit a plan each year until the deficiency has been eliminated;

(3) Local school personnel shall ascertain areas of strength and areas of needed improvement in the school program as revealed by the test results and other student assessments and with the advice and counsel of the representatives mentioned in subsection (1) of this section, shall develop appropriate programs to address educational areas of needed improvement for grades 1 through 12;

(4) The educational improvement plan developed and submitted by each local school district to the department shall include the following:

(a) Process goals;

(b) Product goals;

(c) A list of individuals, by occupation, or groups involved in developing the plan;

(d) The areas of needed improvement as revealed by the district assessment results;

(e) A list of priorities for program implementation;

(f) The objectives and activities deemed appropriate and necessary for alleviating the observed educational areas of needed improvement;

(g) A calendar of events, or timeline, for implementation;

(h) A brief report, each succeeding year after submission of the initial plan, of the program status and of progress made in areas of needed improvement.

Section 9. KRS 158.730 is amended to read as follows:

To assure effective implementation of KRS 158.650 to 158.750 ~~[158.740]~~, the department shall, upon passage, develop and submit to the governor, the state advisory committee for educational improvement, the legislative research commission, and the state board of education a comprehensive plan for achieving the priorities and programs set forth in KRS 158.685, 158.690, 158.700 and 158.710. Such plan shall include, but not be limited to, the specific responsibilities assigned to the department and local school districts; procedures for involving the state advisory committee for educational improvement; means of utilizing guidance and counseling personnel; implementation procedures for the *basic skills and the essential skills testing programs* ~~[program]~~; and implementation processes and schedules.

Section 10. KRS 158.740 is amended to read as follows:

KRS 158.650 to 158.750 ~~[158.730]~~ shall be known as "The Educational Improvement Act ~~[of 1978]~~."

Section 11. KRS 158.750 is amended to read as follows:

(1) ~~[By January 1, 1987,]~~ The state board of education shall assure that each pupil in the public schools of the Commonwealth is taught and is mastering the essential skills necessary to function in each basic skills area defined by KRS 158.650 ~~[to 158.730]~~. The state board of education shall:

(a) ~~[By July 15, 1984,]~~ Determine the essential skills necessary for pupils to successfully complete each grade level. The essential skills shall be established for each of the basic skills areas established by KRS 158.650 ~~[to 158.730]~~ for kindergarten and grades one (1) through twelve (12), though such essential skills established for kindergarten shall not be required for all the basic skills areas. Parents, teachers, administrators and representatives of groups interested in education shall be consulted in determining the essential skills. At least every four (4) years, the essential skills shall be reviewed and revised if necessary;

(b) ~~[Prior to the 1984-85 school year,]~~ Disseminate the essential skills to local school districts and require the essential skills be taught to each pupil, at each grade level, in each public school;

(c) ~~Develop criterion-referenced~~ ~~[By April 1, 1985, develop and disseminate tests to determine mastery of essential skills for mathematics and reading for each grade level to local school districts for administration prior to the end of the 1984-85 school year,]~~ tests to determine mastery of essential skills for all basic skills areas set forth in KRS 158.650 ~~[to 158.730 shall be developed]~~ for *kindergarten and grades one (1) and two (2) and disseminate them* ~~[each grade level and disseminated]~~ to all local school districts for administration ~~[prior to the end of the 1985-86 school year and]~~ after the one hundred and sixtieth (160th) day and before the one hundred and seventieth (170th) day of instruction ~~[in all school years thereafter through the 1987-88 school year. Following the complete testing and reporting cycle for 1987-88, requirements for administration, scoring and reporting of this test shall no longer be authorized without approval of the general assembly];~~ and

(d) Score or cause to be scored all tests specified in paragraph (c) of this subsection, compile and analyze results, and assist local school districts interpreting tests results and in developing programs to improve academic performance. Students shall be classified as masters, partial masters and nonmasters of the essential skills.

(2) ~~[The superintendent shall report to the 1988 general assembly on the feasibility and advisability of administering the essential skills test at the beginning of the school year.~~

~~(3)]~~ Pupils identified as exceptional children pursuant to KRS 157.200 may be exempt from the requirements of this section if such exemption is in compliance with state board of education regulations and is recommended by the admissions and release committee. Exemptions shall be included in the pupil's individual educational plan.

~~(3) [(4)]~~ (a) Based on the results of the essential skills test, the department of education shall determine the number and type of units needed for each district to provide a remedial instruction program for the pupils who fail to meet mastery and notify the districts of their tentative allotment based on pupil need. In the event a greater number of units are needed than are appropriated in the biennial budget, the department of education shall adjust the allotment to districts in a manner which is proportionate to the need as indicated by the essential skills test results:

(b) Supplemental classroom units, to include only a salary allotment and current operating expense allotment, as defined in KRS 157.360, shall be allotted to local school districts to provide a remedial instruction program for each thirteen (13) pupils who at the end of their kindergarten, first, or second grade years are nonmasters of the essential skills as determined by state board of education regulations; and

(c) A salary allotment for a teacher aide as defined in KRS 161.010(5), shall be allotted for each twenty (20) pupils who at the end of their kindergarten, first, or second grade years are partial masters of the essential skills as determined by state board of education regulations. The supplemental classroom units allotted under this subsection shall not exceed the units provided in the biennial budget without approval of the governor.

Section 12. KRS 605.110 is amended to read as follows:

(1) Unless provided otherwise, when any child committed to the cabinet requires medical or surgical care or treatment, the cabinet may provide the same or arrange for the furnishing thereof by other public or private agencies, and may give consent to such medical or surgical treatment. For this purpose, the services and facilities of local health officers and departments shall be made available to the cabinet, and as far as practicable any publicly-owned hospital shall provide hospitalization without charge for any such child who is a resident of the political subdivision by which the hospital is owned or operated. This section does not authorize nor shall permission be granted for abortion or sterilization.

(2) Any child placed in a foster family home by an agency duly authorized in KRS Chapter 620 to place a child in a foster family home shall receive a complete medical, visual, and dental examination by a professional authorized by the Kentucky Revised Statutes to conduct such examinations. Any child placed in a foster family home shall receive such examinations within two (2) weeks of being placed in a foster family home and not less than every twelve (12) months thereafter.

(3) Children maintained in any of the facilities and programs operated by the cabinet shall so far as possible receive a common school education. Those children requiring segregation, restraint or specialized treatment shall be provided supplemental or special education. The department of education, to the extent of available facilities shall assist and cooperate with the department in the educational programs for the facilities and programs. Administrative regulations shall be promulgated by the cabinet in cooperation with the Kentucky department of education regarding the education of children in state agency programs operated or contracted by the cabinet for children requiring services in day treatment, residential facilities, mental retardation facilities and clinical programs. Administrative regulations shall include but not be limited to certification of teachers, curriculum offerings, accreditation, transfer of credits, affected eligibility for sports programs and extra curricular activities, transition to and from local education agencies, use of state agency children's funds, implementation of Public Law 94-142, as amended, in-service training of teachers, supervision and evaluation of teachers, discipline of children, educational assessment which includes *basic skills and [testing for Kentucky]* essential skills *testing*, library services, provision and use of state adopted text books, and administrative structure of individual programs."

Representative Barrows moved that the House refuse to concur in Senate Committee Amendment No. 1 to **HB 678**. Agreed

HB 571, with Senate Committee Substitute attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Committee Substitute to **HB 571** is as follows:

HB 571. AN ACT relating to insurance.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 304.42-030 is amended to read as follows:

(1) This subtitle *shall provide coverage for the policies and contracts specified in subsection (2) of this section:*

(a) *To persons who, regardless of where they reside (except for non-resident certificate holders under group policies or contracts), are the beneficiaries, assignees or payees of the persons covered under paragraph (b) of*

this subsection; and

(b) To persons who are the owners of or certificate holders under such policies or contracts, and who:

- 1. Are residents; or*
- 2. Are not residents, but only under the following conditions:*
 - a. The insurers which issued such policies or contracts are domiciled in this state;*
 - b. Such insurers never held a certificate of authority in the states in which such persons reside;*
 - c. Such states have associations similar to the association created by this subtitle; and*
 - d. Such persons are not eligible for coverage by such associations.*

(2) (a) This subtitle shall provide coverage to the persons specified in subsection (1) of this section for direct, non-group life, health, annuity, and supplemental policies or contracts and for certificates issued under direct group policies and contracts.

(b) This subtitle shall not provide coverage for:

- 1. Any portion of a policy or contract not guaranteed by the insurer, or under which the risk is borne by the policy or contract holder;*
- 2. Any policy or contract of reinsurance, unless assumption certificates have been issued;*
- 3. Any portion of a policy or contract to the extent that the rate of interest on which it is based:*
 - a. Averaged over the period of four (4) years prior to the date on which the association becomes obligated with respect to such policy or contract, exceeds a rate of interest determined by subtracting two (2) percentage points from Moody's corporate bond yield average averaged for that same four (4) year period or for such lesser period if the policy or contract was issued less than four (4) years before the association became obligated; and*
 - b. On and after the date on which the association becomes obligated with respect to such policy or contract, exceeds the rate of interest determined by subtracting three (3) percentage points from Moody's corporate bond yield average as most recently available;*
- 4. Any plan or program of an employer, association, or similar entity to provide life, health, or annuity benefits to its employees or members to the extent that such plan or program is self-funded or uninsured including, but not limited to, benefits payable by an employer, association, or similar entity under:*
 - a. A multiple employer welfare arrangement as defined in 29 U.S.C. section 1144;*
 - b. A minimum premium group insurance plan;*
 - c. A stop-loss group insurance plan; or*
 - d. An administrative services only contract;*
- 5. Any portion of a policy or contract to the extent that it provides dividends or experience rating credits, or provides that any fees or allowances be paid to any person, including the policy or contract holder, in connection with the service to or administration of such policy or contract;*
- 6. Any policy or contract issued in this state by a member insurer at a time when it did not have a certificate of authority to issue such policy or contract in this state; and*

7. *Any unallocated annuity contract.*

(3) *The benefits for which the association may become liable shall in no event exceed the lesser of:*

(a) *The contractual obligations for which the insurer is liable or would have been liable if it were not an impaired or insolvent insurer; or*

(b) *With respect to any one life, regardless of the number of policies or contracts:*

1. *Three hundred thousand dollars (\$300,000) in life insurance death benefits, but not more than one hundred thousand dollars (\$100,000) net cash surrender and net cash withdrawal values for life insurance;*

2. *One hundred thousand dollars (\$100,000) in health insurance benefits, including any net cash surrender and net cash withdrawal values;*

3. *One hundred thousand dollars (\$100,000) in the present value of annuity benefits, including net cash surrender and net cash withdrawal values [shall apply to direct life insurance policies; health insurance policies; annuity contracts; and contracts supplemental to life and health insurance policies and annuity contracts issued by persons licensed to transact insurance in this state at the time such policies or contracts were sold.*

(2) *This subtitle shall not apply to:*

(a) *That portion or part of a variable life insurance or variable annuity contract not guaranteed by an insurer;*

(b) *That portion or part of any policy or contract under which the risk is borne by the policyholder;*

(c) *Any policy or contract or part thereof assumed by the impaired or insolvent insurer under a contract of reinsurance, other than reinsurance for which assumption certificates have been issued;*

(d) *Any policy or contract issued by a licensed nonprofit hospital, medical-surgical, dental and health service corporation, as defined by subtitle 32 of KRS Chapter 304 and any policy or contract issued by a licensed nonprofit health maintenance organization as defined by subtitle 38 of KRS Chapter 304; or*

(e) *Health insurance where such insurance is written by a member of the Kentucky Insurance Guaranty Association].*

Section 2. KRS 304.42-050 is amended to read as follows:

As used in this subtitle:

(1) "Account" means either of the three (3) accounts created under KRS 304.42-060.

(2) "Association" means the Kentucky Life and Health Insurance Guaranty Association created under KRS 304.42-060.

(3) "Commissioner" means the commissioner of insurance of this state.

(4) "Contractual obligation" means any obligation under a policy or contract or a certificate under a group policy or contract, or portion thereof, for which coverage is provided under KRS 304.42-030 [covered policies].

(5) "Covered policy" means any policy or contract within the scope of KRS 304.42-030.

(6) "Impaired insurer" means a member insurer which, after June 17, 1978, is not an insolvent insurer and:

(a) *Is deemed by the commissioner [after June 17, 1978] to be potentially unable to fulfill its contractual*

obligations; or ~~[and not an insolvent insurer]~~

(b) *Is placed under an order of rehabilitation or conservation by a court of competent jurisdiction.*

(7) "Insolvent insurer" means a member insurer which after June 17, 1978, ~~[becomes insolvent and]~~ is placed under an ~~[a final]~~ order of liquidation~~[- rehabilitation or conservation]~~ by a court of competent jurisdiction with a finding of insolvency.

(8) "Member insurer" means any insurer authorized to transact in this state any kind of insurance for which coverage is provided under KRS 304.42-030, and includes any insurer whose certificate of authority in this state may have been suspended, revoked, not renewed, or voluntarily withdrawn, but does not include:

(a) *A non-profit hospital, medical-surgical, dental, and health service corporation, as defined by subtitle 32 of KRS Chapter 304;*

(b) *A health maintenance organization;*

(c) *A fraternal benefit society;*

(d) *A mandatory state pooling plan;*

(e) *An assessment or cooperative insurer or any entity that operates on an assessment basis;*

(f) *An insurance exchange;*

(g) *Any entity similar to the above; or*

(h) *Health insurance where such insurance is written by a member of the Kentucky insurance guaranty association [person licensed to transact in this state any kind of insurance to which this subtitle applies under KRS 304.42-030].*

(9) "Moody's corporate bond yield average" means the monthly average corporates as published by Moody's Investors Service, Inc., or any successor thereto.

(10) "Premiums" means amounts received on covered policies or contracts less premiums, considerations, and deposits returned thereon, and less dividends and experience credits thereon. "Premiums" does not include any amounts received for any policies or contracts or for the portions of any policies or contracts for which coverage is not provided under KRS 304.42-030(2) except that assessable premium shall not be reduced on account of KRS 304.42-030(2)(b)3. ~~[direct gross insurance premiums and annuity considerations received on covered policies, less return premiums and considerations thereon and dividends paid or credited to policyholders on such direct business. "Premiums" do not include premiums and considerations on contracts between insurers and reinsurers.]~~

(11)~~(10)~~ "Person" means any individual, corporation, partnership, association or voluntary organization.

(12)~~(11)~~ "Resident" means any person who resides in this state at the time a member insurer is determined to be an impaired or insolvent insurer and to whom contractual obligations are owed. A person may be a resident of only one state, which in the case of a person other than a natural person shall be its principal place of business.

(13) "Supplemental contract" means any agreement entered into for the distribution of policy or contract proceeds.

(14) "Unallocated annuity contract" means any annuity contract or group annuity certificate which is not issued to and owned by an individual, except to the extent of any annuity benefits guaranteed to an individual by an insurer under such contract or certificate.

Section 3. KRS 304.42-080 is amended to read as follows:

(1) If a member insurer is an impaired domestic insurer, the association may, in its discretion, and subject to any conditions imposed by the association that do not impair the contractual obligations of the impaired insurer, that are approved by the commissioner, and that are (except in the cases of court-ordered conservation or rehabilitation) also approved by the impaired insurer:

(a) Guarantee, assume, or reinsure, or cause to be guaranteed, assumed, or reinsured, any or all of the policies or contracts of the impaired insurer;

(b) Provide such monies, pledges, notes, guarantees, or other means as are proper to effectuate paragraph (a) of this subsection and assure payment of the contractual obligations of the impaired insurer pending action under paragraph (a) of this subsection; or

(c) Loan money to the impaired insurer.

(2) (a) If a member insurer is an impaired insurer, whether domestic, foreign, or alien, and the insurer is not paying claims timely, then, subject to the preconditions specified in paragraph (b) of this subsection, the association shall, in its discretion, either:

1. Take any of the actions specified in subsection (1) of this section subject to the conditions therein; or

2. Provide substitute benefits in lieu of the contractual obligations of the impaired insurer solely for health claims, periodic annuity benefit payments, death benefits, supplemental benefits, and cash withdrawals for policy or contract owners who petition therefor under claims of emergency or hardship in accordance with standards proposed by the association and approved by the commissioner.

(b) The association shall be subject to the requirements of paragraph (a) of this subsection only if:

1. The laws of its state of domicile of the impaired insurer provide that until all payments of or on account of the impaired insurer's contractual obligations by all guaranty associations, along with all expenses thereof and interest on all such payments and expenses, shall have been repaid to the guaranty associations or a plan of repayment by the impaired insurer shall have been approved by the guaranty associations:

a. The delinquency proceeding shall not be dismissed;

b. Neither the impaired insurer nor its assets shall be returned to the control of its shareholders or private management;

c. It shall not be permitted to solicit or accept new business or have any suspended or revoked certificate of authority restored; and

2. a. If the impaired insurer is a domestic insurer, it has been placed under an order of rehabilitation by a court of competent jurisdiction in this state; or

b. If the impaired insurer is a foreign or alien insurer, it has been prohibited from soliciting or accepting new business in this state, its certificate of authority has been suspended or revoked in this state, and a petition for rehabilitation or liquidation has been filed in a court of competent jurisdiction in its state of domicile by the insurance supervisory official of that state.

(3) If a member insurer is an insolvent insurer, the association shall, in its discretion, either:

(a) 1. Guarantee, assume, or reinsure, or cause to be guaranteed, assumed, or reinsured, the policies or contracts of the insolvent insurer; or

2. Assure payment of the contractual obligations of the insolvent insurer; and

3. Provide such monies, pledges, guarantees, or other means as are reasonably necessary to discharge such duties; or

(b) With respect only to life and health insurance policies, provide benefits and coverages in accordance with subsection (4) of this section.

(4) When proceeding under subsections (2)(a)2. or (3)(b) of this section, the association shall, with respect to only life and health insurance policies:

(a) Assure payment of benefits for premiums identical to the premiums and benefits (except for terms of conversion and renewability) that would have been payable under policies of the insolvent insurer, for claims incurred:

1. With respect to group policies, not later than the earlier of the next renewal date under such policies or contracts or forty-five (45) days, but in no event less than thirty (30) days, after the date on which the association becomes obligated with respect to such policies;

2. With respect to individual policies, not later than the earlier of the next renewal date (if any) under such policies or one (1) year, but in no event less than thirty (30) days, from the date on which the association becomes obligated with respect to such policies;

(b) Make diligent efforts to provide all known insureds or group policyholders with respect to group policies thirty (30) days' notice of the termination of the benefits provided; and

(c) With respect to individual policies, make available to each known insured, or owner if other than the insured, and with respect to an individual formerly insured under a group policy who is not eligible for replacement group coverage, make available substitute coverage on an individual basis in accordance with the provisions of paragraph (d) of this subsection, if the insureds had a right under law or the terminated policy to convert coverage to individual coverage or to continue an individual policy in force until a specified age or for a specified time, during which the insurer had no right unilaterally to make changes in any provision of the policy or had a right only to make changes in premium by class.

(d) 1. In providing substitute coverage required under paragraph (c) of this subsection the association may offer either to reissue the terminated coverage or to issue an alternative policy.

2. Alternative or reissued policies shall be offered without requiring evidence of insurability, and shall not provide for any waiting period or exclusion that would not have applied under the terminated policy.

3. The association may reinsure any alternative or reissued policy.

(e) 1. Alternative policies adopted by the association shall be subject to approval by the commissioner. The association may adopt alternative policies of various types for future issuance without regard to any particular impairment or insolvency.

2. Alternative policies shall contain at least the minimum statutory provisions required in this state and provide benefits that shall not be unreasonable in relation to the premium charged. The association shall set the premium in accordance with a table of rates which it shall adopt. The premium shall reflect the amount of insurance to be provided and the age and class of risk of each insured, but shall not reflect any changes in the health of the insured after the original policy was last underwritten.

3. Any alternative policy issued by the association shall provide coverage of a type similar to that of the policy issued by the impaired or insolvent insurer, as determined by the association.

(f) If the association elects to reissue terminated coverage at a premium rate different from that charged under the terminated policy, the premium shall be set by the association in accordance with the amount of insurance provided and the age and class of risk, subject to approval by the commissioner or by a court of competent jurisdiction.

(g) The association's obligations with respect to coverage under any policy of the impaired or insolvent insurer or under any reissued or alternative policy shall cease on the date such coverage or policy is replaced by another similar policy by the policyholder, the insured, or the association.

(5) When proceeding under subsections (2)(a)2. or (3) of this section with respect to any policy or contract carrying guaranteed minimum interest rates, the association shall assure the payment or crediting of a rate of interest consistent with KRS 404.42-0:10(2)(b)3.

(6) Nonpayment of premiums within thirty-one (31) days after the date required under the terms of any guaranteed, assumed, alternative, or reissued policy or contract for substitute coverage shall terminate the association's obligations under such policy or coverage under this subtitle with respect to such policy or coverage, except with respect to any claims incurred or any net cash surrender value which may be due in accordance with the provisions of this subtitle.

(7) Premiums due for coverage after entry of an order of liquidation of an insolvent insurer shall belong to and be payable at the direction of the association, and the association shall be liable for unearned premiums due to policy or contract owners arising after the entry of such order.

(8) The protection provided by this subtitle shall not apply where any guaranteed protection is provided to residents of this state by the laws of the domiciliary state or jurisdiction of the impaired or insolvent insurer other than this state.

(9) In carrying out its duties under subsections (2) and (3) of this section, the association may, subject to approval by the court:

(a) Impose permanent policy or contract liens in connection with any guarantee, assumption, or reinsurance agreement, if the association finds that the amounts which can be assessed under this subtitle are less than the amounts needed to assure full and prompt performance of the association's duties under this subtitle, or that the economic or financial conditions as they affect member insurers are sufficiently adverse to render the imposition of such permanent policy or contract liens to be in the public interest; and

(b) Impose temporary moratoriums or liens on payments of cash values and policy loans, or any other right to withdraw funds held in conjunction with policies or contracts, in addition to any contractual provisions for deferral of cash or policy loan value.

(10) If the association fails to act within a reasonable period of time as provided in subsections (2)(a)2., (3), and (4) of this section, the commissioner shall have the powers and duties of the association under this subtitle with respect to impaired or insolvent insurers.

(11) The association may render assistance and advice to the commissioner, upon his request, concerning rehabilitation, payment of claims, continuance of coverage, or the performance of other contractual obligations of any impaired or insolvent insurer.

(12) The association shall have standing to appear before any court in this state with jurisdiction over an impaired or insolvent insurer concerning which the association is or may become obligated under this subtitle. Such standing shall extend to all matters germane to the powers and duties of the association, including, but not limited to, proposals for reinsuring, modifying, or guaranteeing the policies or contracts of the impaired or insolvent insurer and the determination of the policies or contracts and contractual obligations. The association shall also have the right to appear or intervene before a court in another state with jurisdiction over an impaired or insolvent insurer for which the association is or may become obligated or with jurisdiction over a third party against whom the association may have rights through subrogation of the insurer's policyholders.

(13) (a) Any person receiving benefits under this subtitle shall be deemed to have assigned the rights under, and any causes of action relating to, the covered policy or contract to the association to the extent the benefits received because of this subtitle, whether benefits are payments of or on account of contractual obligations, continuation of coverage, or provision of substitute or alternative coverages. The association may require an assignment to it of such rights and cause of action by any payee, policy or contract owner, beneficiary, insured, or annuitant as a condition precedent to the receipt of any right or benefits conferred by this subtitle upon such person.

(b) The subrogation rights of the association under this subsection shall have the same priority against the assets of the impaired or insolvent insurer as that possessed by the person entitled to receive benefits under this subtitle.

(c) In addition to paragraphs (a) and (b) of this subsection, the association shall have all common law rights of subrogation and any other equitable or legal remedy which would have been available to the impaired or insolvent insurer or holder of a policy or contract with respect to such policy or contract.

(14) The association may:

(a) Enter into such contracts as are necessary or proper to carry out the provisions and purposes of this subtitle;

(b) Sue or be sued, including taking any legal actions necessary or proper to recover any unpaid assessments under KRS 304.42-090 and to settle claims or potential claims against it;

(c) Borrow money to effect the purposes of this subtitle; any notes or other evidence of indebtedness of the association not in default shall be legal investments for domestic insurers and may be carried as admitted assets;

(d) Employ or retain such persons as are necessary to handle the financial transactions of the association, and to perform such other functions as may become necessary or proper under this subtitle;

(e) Take such legal action as may be necessary to avoid payment of improper claims; and

(f) Exercise, for the purposes of this subtitle and to the extent approved by the commissioner, the powers of a domestic life or health insurer, but in no case may the association issue insurance policies or annuity contracts other than those issued to perform its obligations under this subtitle.

(15) The association may join an organization of one or more other state associations of similar purposes, to further the purposes and administer the powers and duties of the association [In addition to the powers and duties enumerated in other sections of this subtitle:

(1) If a domestic insurer is an impaired insurer, the association may, subject to any conditions imposed by the association, other than those which impair the contractual obligations of the impaired insurer, and approved by the impaired insurer and the commissioner:

(a) Guarantee or reinsure, or cause to be guaranteed, assumed, or reinsured, any or all of the covered policies of the impaired insurers;

(b) Provide such moneys, pledges, notes, guarantees, or other means as are proper to effectuate paragraph (a) of this subsection, and assure payment of the contractual obligations of the impaired insurer pending action under paragraph (a) of this subsection; and

(c) Loan money to the impaired insurer.

(2) If a domestic insurer is an insolvent insurer, the association shall, subject to the approval of the commissioner:

(a) Guarantee, assume, or reinsure, or cause to be guaranteed, assumed, or reinsured the covered policies of the insolvent insurer;

(b) Assure payment of the contractual obligations of the insolvent insurer; and

(c) Provide such moneys, pledges, notes, guarantees, or other means as are reasonably necessary to discharge such duties.

(3) If a foreign or alien insurer is an insolvent insurer, the association shall, subject to the approval of the commissioner:

(a) Guarantee, assume, or reinsure or cause to be guaranteed, assumed, or reinsured the covered policies of residents;

(b) Assure payment of the contractual obligations of the insolvent insurer to residents; and

(c) Provide such moneys, pledges, notes, guarantees, or other means as are reasonably necessary to discharge such duties.

This subsection shall not apply if the commissioner has determined that the foreign or alien insurer's domiciliary jurisdiction or state of entry provides, by statute, protection substantially similar to that provided by this subtitle for residents of this state.

(4) (a) In carrying out its duties under subsections (2) and (3) of this section, permanent policy liens, or contract liens may be imposed in connection with any guarantee, assumption or reinsurance agreement, if the court:

1. Finds that the amounts which can be assessed under this subtitle are less than the amounts needed to assure full and prompt performance of the insolvent insurer's contractual obligations, or that the economic or financial conditions as they affect member insurers are sufficiently adverse to render the imposition of policy or contract liens, to be in the public interest; and

2. Approves the specific policy liens or contract liens to be used.

(b) Before being obligated under subsections (2) and (3) of this section the association may request that there be imposed temporary moratoriums or liens on payments of cash values and policy loans in addition to any contractual provisions for deferral of cash or policy loan values, and such temporary moratoriums and liens may be imposed if they are approved by the court.

(5) If the association fails to act within a reasonable period of time as provided in subsections (2) and (3) of this section, the commissioner shall have the powers and duties of the association under this subtitle with respect to insolvent insurers.

(6) The association may render assistance and advice to the commissioner, upon his request, concerning rehabilitation, payment of claims, continuance of coverage, or the performance of other contractual obligations of any impaired or insolvent insurer.

(7) The association shall have standing to appear before any court in this state with jurisdiction over an impaired or insolvent insurer concerning which the association is or may become obligated under this subtitle. Such standing shall extend to all matters germane to the powers and duties of the association, including, but not limited to, proposals for reinsuring or guaranteeing the covered policies of the impaired or insolvent insurer and the determination of the covered policies and contractual obligations.

(8) (a) Any person receiving benefits under this subtitle shall be deemed to have assigned the rights under the covered policy to the association to the extent of the benefits received because of this subtitle whether the benefits are payments of contractual obligations or continuation of coverage. The association may require an assignment to it of such rights by any payee, policy or contract owner, beneficiary, insured or annuitant as a condition precedent to the receipt of any rights or benefits conferred by this subtitle upon such person. The association shall be subrogated to these rights against the assets of any insolvent insurer.

(b) The subrogation rights of the association under this subsection shall have the same priority against the assets of the insolvent insurer as that possessed by the person entitled to receive benefits under this subtitle.

(9) The contractual obligations of the insolvent insurer for which the association becomes or may become liable shall be as great as but no greater than the contractual obligations of the insolvent insurer would have been in the absence of an insolvency unless such obligations are reduced as permitted by subsection (4) of this section but the aggregate liability of the association shall not exceed one hundred thousand dollars (\$100,000) in cash values, or three hundred thousand dollars (\$300,000) for all benefits, including cash values, with respect to any one life.

(10) The association may:

(a) Enter into such contracts as are necessary or proper to carry out the provisions and purposes of

this subtitle;

(b) Sue or be sued, including taking any legal actions necessary or proper for recovery of any unpaid assessments under KRS 304.42-090;

(c) Borrow money to effect the purposes of this subtitle. Any notes or other evidence of indebtedness of the association not in default shall be legal investments for domestic insurers and may be carried as admitted assets;

(d) Employ or retain such persons as are necessary to handle the financial transactions of the association, and to perform such other functions as become necessary or proper under this subtitle;

(e) Negotiate and contract with any liquidator, rehabilitator, conservator, or ancillary receiver to carry out the powers and duties of the association;

(f) Take such legal action as may be necessary to avoid payment of improper claims;

(g) Exercise, for the purposes of this subtitle and to the extent approved by the commissioner, the powers of a domestic life or health insurer, but in no case may the association issue insurance policies or annuity contracts other than those issued to perform the contractual obligations of the impaired or insolvent insurer].

Section 4. KRS 304.42-090 is amended to read as follows:

(1) For the purpose of providing the funds necessary to carry out the powers and duties of the association, the board of directors shall assess the member insurers, separately for each account, at such time and for such amounts as the board finds necessary. Assessments shall be due not less than thirty (30) days after prior written notice to the member insurers and shall accrue interest at eight percent (8%) per annum on and after the due date.

(2) There shall be *two (2)* ~~three (3)~~ classes of assessments:

(a) Class A assessments shall be made for the purpose of meeting administrative and legal costs and other expenses and examinations conducted under the authority of KRS 304.42-120(5). *Class A assessments may be made whether or not related to a particular impaired or insolvent insurer* ~~general expenses and examinations conducted under the authority of subsection (5) of KRS 304.42-120 not related to a particular impaired or insolvent insurer~~];

(b) Class B assessments shall be made to the extent necessary to carry out the powers and duties of the association under KRS 304.42-080 with regard to an impaired or insolvent ~~domestic~~ insurer];

(c) ~~Class C assessments shall be made to the extent necessary to carry out the powers and duties of the association under KRS 304.42-080 with regard to an insolvent foreign or alien insurer~~].

(3) (a) The amount of any Class A assessment shall be determined by the board and may be made on a *pro rata* or *non-pro rata* basis. *If pro rata, the board may provide that it be credited against future Class B assessments. A non-pro rata assessment shall not exceed one hundred fifty dollars (\$150) per member insurer in any one (1) calendar year. The amount of any Class B assessment shall be allocated for assessment purposes among the accounts pursuant to an allocation formula which may be based on the premiums or reserves of the impaired or insolvent insurer or any other standard deemed by the board in its sole discretion as being fair and reasonable under the circumstances* ~~non-pro rata basis. Such assessment shall be credited against future insolvency assessments and shall not exceed one hundred and fifty dollars (\$150) per member insurer in any one (1) calendar year. The amount of any Class B or C assessment shall be allocated for assessment purposes among the accounts in the proportion that the premiums received by the impaired or insolvent insurer on the policies covered by each account for the last calendar year preceding the assessment in which the impaired or insolvent insurer received premiums bears to the premiums received by such insurer for such calendar year on all covered policies~~];

(b) *Class B assessments against member insurers for each account shall be in the proportion that the premiums received on business in this state by each assessed member insurer on policies or contracts covered by each*

account for the three (3) most recent calendar years for which information is available preceding the year in which the insurer became impaired or insolvent bears to such premiums received on business in this state for such calendar years by all assessed member insurers. [Class C assessments against member insurers for each account shall be in the proportion that the premiums received on business in this state by each assessed member insurer on policies covered by each account for the calendar year preceding the assessment bears to such premiums received on business in this state for the calendar year preceding the assessment by all assessed member insurers]; and

(c) [Class B assessments for each account shall be made separately for each state in which the impaired or insolvent domestic insurer was authorized to transact insurance at any time, in the proportion that the premiums received on business in such state by the impaired or insolvent insurer on policies covered by such account for the last calendar year preceding the assessment in which the impaired or insolvent insurer received premiums bears to such premiums received in all such states for such calendar year by the impaired or insolvent insurer. The assessments against member insurers shall be in the proportion that the premiums received on business in each such state by each assessed member insurer on policies covered by each account for the calendar year preceding the assessment bears to such premiums received on business in each state for the calendar year preceding assessment by all assessed member insurers; and

(d) Assessments for funds to meet the requirements of the association with respect to an impaired or insolvent insurer shall not be made until necessary to implement the purposes of this subtitle. Classification of assessments under subsection (2) of this section and computation of assessments under this subsection shall be made with a reasonable degree of accuracy, recognizing that exact determinations may not always be possible.

(4) The association may abate or defer, in whole or in part, the assessment of a member insurer if, in the opinion of the board, payment of the assessment would endanger the ability of the member insurer to fulfill its contractual obligations. In the event an assessment against a member insurer is abated, or deferred in whole or in part, the amount by which such assessment is abated or deferred may be assessed against the other member insurers in a manner consistent with the basis for assessments set forth in this section.

(5) (a) The total of all assessments upon a member insurer for each account shall not in any one (1) calendar year exceed two percent (2%) of such insurer's premiums received in this state during the calendar year preceding the assessment on the policies covered by the account. If the maximum assessment, together with the other assets of the association in either account, does not provide in any one (1) year in either account an amount sufficient to carry out the responsibilities of the association, the necessary additional funds shall be assessed as soon thereafter as permitted by this subtitle.

(b) The board may provide in the plan of operation a method of allocating funds among claims, whether relating to one (1) or more impaired or insolvent insurers, when the maximum assessment will be insufficient to cover anticipated claims.

(6) The board may, by an equitable method as established in the plan of operation, refund to member insurers, in proportion to the contribution of each insurer to that account, the amount by which the assets of the account exceed the amount the board finds is necessary to carry out during the coming year the obligations of the association with regard to that account, including assets accruing from net realized gains and income from investments. A reasonable amount may be retained in any account to provide funds for the continuing expenses of the association and for future losses if refunds are impractical.

(7) It shall be proper for any member insurer, in determining its premium rates and policy owner dividends as to any kind of insurance within the scope of this subtitle, to consider the amount reasonably necessary to meet its assessment obligations under this subtitle.

(8) The association shall issue to each insurer paying an assessment under this subtitle, other than a Class A assessment, a certificate of contribution, in a form prescribed by the commissioner, for the amount of the assessment so paid. All outstanding certificates shall be of equal dignity and priority without reference to amounts or dates of issue. A certificate of contribution may be shown by the insurer in its financial statement as an asset in such form and for such amount, if any, and period of time as the commissioner may approve.

Section 5. KRS 304.42-110 is amended to read as follows:

In addition to the duties and powers enumerated elsewhere in this subtitle:

(1) The commissioner shall:

(a) Upon request of the board of directors, provide the association with a statement of the premiums in the appropriate states for each member insurer;

(b) When an impairment is declared and the amount of the impairment is determined, serve a demand upon the impaired insurer to make good the impairment within a reasonable time. Notice to the impaired insurer shall constitute notice to its shareholders, if any. The failure of the insurer to promptly comply with such demand shall not excuse the association from the performance of its powers and duties under this subtitle;

(c) In any liquidation or rehabilitation proceeding involving a domestic insurer, be appointed as the liquidator or rehabilitator. If a foreign or alien member insurer is subject to a liquidation proceeding in its domiciliary jurisdiction or state of entry, the commissioner, *may* ~~shall~~ be appointed conservator.

(2) The commissioner may suspend or revoke, after notice and hearing, the certificate of authority to transact insurance in this state of any member insurer which fails to pay an assessment when due or fails to comply with the plan of operation. As an alternative the commissioner may levy a forfeiture on any member insurer which fails to pay an assessment when due. Such forfeiture shall not exceed 5 percent (5%) of the unpaid assessment per month, but no forfeiture shall be less than one hundred dollars (\$100) per month.

(3) Any action of the board of directors or the association may be appealed to the commissioner by any member insurer if such appeal is taken within thirty (30) days of the action being appealed. Any final action or order of the commissioner shall be subject to judicial review *as set forth in subtitle 2 of this chapter* ~~[in a court of competent jurisdiction]~~.

(4) The liquidator, rehabilitator, or conservator of any impaired insurer may notify all interested persons of the effect of this subtitle.

Section 6. KRS 304.42-120 is amended to read as follows:

To aid in the detection and prevention of insurer insolvencies or impairments:

(1) It shall be the duty of the commissioner:

(a) To notify the commissioners of all of the other states, territories of the United States and the District of Columbia when he takes any of the following actions against a member insurer:

1. Revocation of license;

2. Suspension of license;

3. Makes any formal order that such company restrict its premium writing, obtain additional contributions to surplus, withdraw from the state, reinsure all or any part of its business, or increase capital, surplus, or any other account for the security of policyholders or creditors.

Such notice shall be mailed to all commissioners within thirty (30) days following the action taken or the date on which such action occurs:

(b) To report to the board of directors when he has taken any of the actions set forth in paragraph (a) of this subsection or has received a report from any other commissioner indicating that any such action has been taken in another state. Such report to the board of directors shall contain all significant details of the action taken or the report received from another commissioner:

(c) To report to the board of directors when he has reasonable cause to believe from any examination, whether completed or in process, of any member company that such company may be an impaired or insolvent insurer:

(d) To furnish to the board of directors the NAIC *insurance regulatory information system information*

[Early Warning Tests] developed by the National Association of Insurance Commissioners, and the board may use the information contained therein in carrying out its duties and responsibilities under this section. Such report and the information contained therein shall be kept confidential by the board of directors until such time as made public by the commissioner or other lawful authority.

(2) The commissioner may seek the advice and recommendations of the board of directors concerning any matter affecting his duties and responsibilities regarding the financial condition of member companies and companies seeking admission to transact insurance business in this state.

(3) The board of directors may, upon majority vote, make reports and recommendations to the commissioner upon any matter germane to the solvency, liquidation, rehabilitation or conservation of any member insurer or germane to the solvency of any company seeking to do an insurance business in this state. Such reports and recommendations shall not be considered public documents.

(4) It shall be the duty of the board of directors, upon majority vote, to notify the commissioner of any information indicating any member insurer may be an impaired or insolvent insurer.

(5) The board of directors may, upon majority vote, request that the commissioner order an examination of any member insurer which the board in good faith believes may be an impaired or insolvent insurer. Within thirty (30) days of the receipt of such request, the commissioner shall begin such examination. The examination may be conducted as a National Association of Insurance Commissioners examination or may be conducted by such persons as the commissioner designates. The cost of such examination shall be paid by the association and the examination report shall be treated as are other examination reports. In no event shall such examination report be released to the board of directors prior to its release to the public, but this shall not preclude the commissioner from complying with subsection (1) of this section. The commissioner shall notify the board of directors when the examination is completed. The request for an examination shall be kept on file by the commissioner but it shall not be open to public inspection prior to the release of the examination report to the public.

(6) The board of directors may, upon majority vote, make recommendations to the commissioner for the detection and prevention of insurer insolvencies.

(7) The board of directors shall, at the conclusion of any insurer insolvency in which the association was obligated to pay covered claims, prepare a report to the commissioner containing such information as it may have in its possession bearing on the history and causes of such insolvency. The board shall cooperate with the boards of directors of guaranty associations in other states in preparing a report on the history and causes for insolvency of a particular insurer, and may adopt by reference any report prepared by such other associations.

Section 7. KRS 164.2871 is amended to read as follows:

(1) The governing board of each state institution of higher education *is* [are] authorized to purchase liability insurance for the protection of the individual members of the governing board, faculty, and staff of such institutions from liability for acts and omissions committed in the course and scope of the individual's employment or service. Each institution may purchase the type and amount of liability coverage deemed to best serve the interest of such institution.

(2) All retirement annuity allowances accrued or accruing to any employee of a state institution of higher education through a retirement program sponsored by the state institution of higher education are hereby exempt from any state, county, or municipal tax, and shall not be subject to execution, attachment, garnishment, or any other process whatsoever, nor shall any assignment thereof be enforceable in any court.

(3) *Except as provided in KRS Chapter 44, the purchase of liability insurance for members of governing boards, faculty and staff of institutions of higher education in this state shall not be construed to be a waiver of sovereign immunity or any other immunity or privilege.*

Representative B. Richardson moved that the House concur in Senate Committee Substitute to **HB 571**. Agreed.

Representative B. Richardson moved that **HB 571**, as amended by the Senate Committee Substitute,

be passed.

On the roll call the vote was: Yeas 81, Nays 1. (See March 29, 1988 roll call on **HB 571** - Appendix A.)

HB 571, as amended by the Senate Committee Substitute, was passed and the title agreed to.

Representative B. Richardson moved that the vote by which **HB 571**, as amended by the Senate Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 583, with Senate Amendment attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Committee Amendment No. 1 to **HB 583** is as follows:

Amend printed copy of **HB 583** on page 2, line 6, after the word "*that*" delete the following:

"forty percent (40%) of the private activity cap be reserved for state bond issuance authorities and" and substitute in lieu thereof:

"no less than"

Representative K. Harper moved that the House concur in Senate Committee Amendment No. 1 to **HB 583**. Agreed

Representative K. Harper moved that **HB 583**, as amended by the Senate, be passed.

On the roll call the vote was: Yeas 88, Nays 0. (See March 29, 1988 roll call on **HB 583** - Appendix A.)

HB 583, as amended by the Senate, was passed and the title agreed to.

Representative K. Harper moved that the vote by which **HB 583**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 584, with Senate Amendment attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Floor Amendment No. 1 to **HB 584** is as follows:

Amend printed copy of **HB 584** on page 2, by deleting lines 1 through 3, and by substituting therefor *"or their surviving spouses or eligible children, shall receive an upward adjustment in their retirement or survivor's annuity by calculation of a two percent (2%) annual increase";* and

on page 2, by deleting lines 18 through 26, and on page 3, by deleting line 1, and by substituting therefor:

"(b) After calculation of the new annuity level,"; and

on page 3, line 11, by striking the words *"continue to"*; and

on page 3, line 15, by inserting after *"apply,"* the following: *"In addition, each annuitant or surviving spouse or eligible child shall receive a one-time lump sum payment of five hundred dollars (\$500)."*; and

on page 3, line 19, by adding after *"Section 1"* the words *" , but each such retiree or surviving spouse shall receive a one-time lump sum payment of five hundred dollars (\$500)";* and

on page 5, by deleting lines 5 and 6, and by substituting therefor:

"shall receive an upward adjustment in their retirement or survivor's annuity by calculation of a two percent (2%) annual increase"; and

on page 5, by deleting lines 18 through 26, and page 6, by deleting lines 1 through 8, and by substituting for line 8 the following:

"(b) After calculation of the new annuity level,"; and

on page 6, line 23, by deleting the words *"continue to"*.

Representative Napier moved that the House concur in Senate Floor Amendment No. 1 to **HB 584**. Agreed

Representative Napier moved that **HB 584**, as amended by the Senate, be passed.

On the roll call the vote was: Yeas 84, Nays 1. (See March 29, 1988 roll call on **HB 584** - Appendix A.)

HB 584, as amended by the Senate, was passed and the title agreed to.

Representative Napier moved that the vote by which **HB 584**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 703, with Senate Amendments attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Committee Amendment No. 1 to **HB 703** is as follows:

Amend printed copy of **HB 703** on page 1, line 3, by changing the word *"auditor's"* to *"auditor of public accounts"*.

The Senate Committee Title Amendment No. 2 to **HB 703** is as follows:

Amend printed copy of **HB 703** by amending the title to read as follows:

"AN ACT relating to the state auditor's scholarship program."

Representative Hatcher moved that the House concur in Senate Amendment No. 1 to **HB 703**. Agreed

Representative Hatcher moved that **HB 703**, as amended by the Senate, be passed.

On the roll call the vote was: Yeas 80, Nays 1. (See March 29, 1988 roll call on **HB 703** - Appendix A.)

HB 703, as amended by the Senate, was passed.

Representative Hatcher moved that the House concur in Senate Committee Title Amendment No. 2 to **HB 703**. Agreed; and the title was agreed to.

Representative Hatcher moved that the vote by which **HB 703**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 629, with Senate Amendment attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Committee Amendment No. 1 to **HB 629** is as follows:

Amend printed copy of **HB 629** to delete lines 24 through 26 on page 4 and lines 1 through 4 on page 5, and to insert the following in lieu thereof:

"(6) The general assembly of Kentucky finds that commissions and fees set by the general assembly for services performed in collecting ad valorem taxes by county clerks are the reasonable costs of collection by county clerks and their offices. The county clerk shall account for all funds collected to each taxing authority; however, in any accounting or settlement with district boards of education, the county clerk shall not be required to itemize any incremental costs in any accounting or settlement for ad valorem taxes collected."; and

on page 5, to delete the words "less the" on line 9, to delete lines 10 and 11 in their entirety, and to delete the words "board of education" in line 12, and to insert the following in lieu thereof following the underlined comma in line 9, *"except that the county clerk shall deduct his collection fee before payment to the district board of education depository"*.

Representative Gedling moved that the House concur in Senate Committee Amendment No. 1 to **HB 629**. Agreed

Representative Gedling moved that **HB 629**, as amended by the Senate, be passed.

On the roll call the vote was: Yeas 79, Nays 11. (See March 29, 1988 roll call on **HB 629** - Appendix A.)

HB 629, as amended by the Senate, was passed and the title agreed to.

Representative Gedling moved that the vote by which **HB 629**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 655, with Senate Amendments attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Committee Amendment No. 1 to **HB 655** is as follows:

Amend printed copy of **HB 655** on page 3, line 21, after "Section 2." insert the following:

"A NEW SECTION OF KRS CHAPTER 157 IS CREATED TO READ AS FOLLOWS:

(1) A school district which has issued revenue bonds according to the provisions of KRS Chapter 162 shall be eligible to participate in a reimbursement schedule if all of the following conditions are met:

(a) The district met all criteria for first round financing except that the district had no unmet needs on its facility survey in effect at that time;

(b) An amended facility survey, approved prior to June 30, 1986, is on file with the department of education; and

(c) Revenue bonds were issued after January 1, 1986, and prior to January 1, 1987.

(2) Annual reimbursement shall be provided for bond debt service equal to the amount to which the district would have been entitled if the facility survey had been updated prior to first round funding.

Section 3."

The Senate Floor Amendment No. 3 to **HB 655** is as follows:

Amend printed copy of **HB 655** on page 3, line 14, delete "at any time on or before April 15, 1988"

and insert "*certified prior to an official offer from the school facilities construction commission*" in lieu thereof.

The Senate Committee Title Amendment No. 2 to **HB 655** is as follows:

Amend printed copy of **HB 655** to amend the title to read:

"AN ACT relating to school facilities and declaring an emergency."

Representative Stumbo moved that the House concur in Senate Committee Amendment No. 1 to **HB 655**.
Agreed

Representative Stumbo moved that the House concur in Senate Floor Amendment No. 3 to **HB 655**.
Agreed.

Representative Stumbo moved that **HB 655**, as amended by the Senate, be passed.

On the roll call the vote was: Yeas 85, Nays 0. (See March 29, 1988 roll call on **HB 655** - Appendix A.)

HB 655, as amended by the Senate, was passed.

Representative Stumbo moved that the House concur in Senate Committee Title Amendment No. 2 to **HB 655**. Agreed; and the title was agreed to.

Representative Stumbo moved that the vote by which **HB 655**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 13, with Senate Amendment attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Committee Amendment No. 1 to **HB 13** is as follows:

Amend printed copy of **HB 13** on page 1, line 14, delete the "." and by inserting the word "and".

On page 1, line 15, after the word "number" by deleting "*and the citizens soldier logo of the United States*" and on line 16, by deleting "*army reserve*".

On page 1, line 20, after the word "States" by deleting the words "*army reserve*" and inserting "*armed forces*" in lieu thereof.

On page 2, line 6, after the word "States" by deleting the words "*army reserve*" and inserting "*armed forces*" in lieu thereof.

Representative Mason moved that the House concur in Senate Committee Amendment No. 1 to **HB 13**.
Agreed

Representative Mason moved that **HB 13**, as amended by the Senate, be passed.

On the roll call the vote was: Yeas 84, Nays 1. (See March 29, 1988 roll call on **HB 13** - Appendix A.)

HB 13, as amended by the Senate, was passed and the title agreed to.

Representative Mason moved that the vote by which **HB 13**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 715, with Senate Amendments attached thereto, taken from the Orders of the Day. Representative

Stumbo moved that it be placed upon its passage. Agreed.

The Senate Floor Amendment No. 1 to **HB 715** is as follows:

Amend printed copy of **HB 715** on page 4, after line 11, insert the following:

"Section 2. KRS 387.510 is amended to read as follows:

As used in KRS 387.500 to 387.770 and 387.990:

(1) "Conservator" means an individual, agency, or corporation appointed by the court to manage the financial resources of a disabled person.

(2) "Limited conservator" means an individual, agency, or corporation appointed by the court to assist in managing the financial resources of a partially disabled person and whose powers and duties have been specifically enumerated by court order.

(3) "Guardian" means *any* ~~an~~ individual, agency, or corporation appointed by the court to have full care, custody, and control of a disabled person and to manage his financial resources.

(4) "Limited guardian" means a guardian who possesses fewer than all of the legal powers and duties of a full guardian, and whose powers and duties have been specifically enumerated by court order.

(5) "Standby" guardian or conservator means a person or entity designated by the court to assume the powers and duties assigned to a limited guardian, guardian, limited conservator, or conservator upon his death, resignation, removal, or incapacity.

(6) "Testamentary" guardian or conservator means an individual, agency, or corporation nominated in the will of a limited guardian, guardian, limited conservator, or conservator to succeed the testator in that capacity upon his death.

(7) "Developmental disability" means a severe, chronic disability of a person which:

(a) Is attributable to a mental or physical impairment or combination of mental and physical impairments;

(b) Is manifested before the person attains age twenty-two (22);

(c) Is likely to continue indefinitely;

(d) Results in substantial functional limitations in three (3) or more of the following areas of major life activity: (i) self-care; (ii) receptive and expressive language; (iii) learning; (iv) mobility; (v) self-direction; (vi) capacity for independent living; and (vii) economic self-sufficiency; and

(e) Reflects the person's need for a combination and sequence of special interdisciplinary or generic care, treatment or other services which are of lifelong or extended duration and are individually planned and coordinated.

(8) "Disabled" means a legal, not a medical disability, and is measured by functional incapacities. It refers to any person fourteen (14) years of age or older who is:

(a) Unable to make informed decisions with respect to his personal affairs to such an extent that he lacks the capacity to provide for his physical health and safety, including but not limited to health care, food, shelter, clothing, or personal hygiene; or

(b) Unable to make informed decisions with respect to his financial resources to such an extent that he lacks the capacity to manage his property effectively by those actions necessary to obtain, administer, and dispose of both real and personal property.

Such inability shall be evidenced by acts or occurrences within six (6) months prior to the filing of the petition for guardianship or conservatorship and shall not be evidenced solely by isolated instances of negligence, improvidence, or other behavior.

(9) "Partially disabled" refers to an individual who lacks the capacity to manage some of his personal affairs and/or financial resources as provided in subsection (8) of this section, but who cannot be found to be fully disabled as provided therein.

(10) "Mentally ill person" means a person with substantially impaired capacity to use self-control, judgment, or discretion in the conduct of his affairs and social relations, associated with maladaptive behavior or recognized emotional symptoms where impaired capacity, maladaptive behavior, or emotional symptoms can be related to physiological, psychological, or social factors.

(11) "Interdisciplinary evaluation report" means a report of an evaluation of a respondent performed pursuant to the provisions of KRS 387.540 to determine whether he is partially disabled or disabled as defined herein.

(12) "Interested person or entity" means an adult relative or friend of the respondent or ward, an official or representative of a public or private agency, corporation, or association concerned with that person's welfare, or any other person found suitable by the court.

(13) "Petitioner" means a person who institutes a proceeding under KRS 387.530.

(14) "Respondent" means an individual alleged to be a partially disabled or disabled person.

(15) "Ward" means a person for whom a limited guardian, guardian, limited conservator, or conservator has been appointed.

(16) "Committee" means a person appointed by the court prior to July 1, 1982, to have full care, custody, and control of a disabled person and his estate.

The Senate Floor Title Amendment No. 2 to **HB 715** is as follows:

Amend printed copy of **HB 715** on page 1, amend the TITLE to read "AN ACT relating to disabled persons."

Representative B. Smith moved that the House concur in Senate Floor Amendment No. 1 to **HB 715**. Agreed

Representative B. Smith moved that **HB 715**, as amended by the Senate, be passed.

On the roll call the vote was: Yeas 87, Nays 0. (See March 29, 1988 roll call on **HB 715** - Appendix A.)

HB 715, as amended by the Senate, was passed.

Representative B. Smith moved that the House concur in Senate Floor Title Amendment No. 2 to **HB 715**. Agreed; and the title was agreed to.

Representative B. Smith moved that the vote by which **HB 715**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 716, with Senate Amendment attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Committee Amendment No. 1 to **HB 716** is as follows:

Amend printed copy of **HB 716** on page 6, line 17 to 22, by deleting all material beginning with "*Subsequent*" and ending with *Assembly.*"

Representative Little moved that the House concur in Senate Committee Amendment No. 1 to **HB 716**. Agreed

Representative Little moved that **HB 716**, as amended by the Senate, be passed.

On the roll call the vote was: Yeas 85, Nays 3. (See March 29, 1988 roll call on **HB 716** - Appendix A.)

HB 716, as amended by the Senate, was passed and the title agreed to.

Representative Little moved that the vote by which **HB 716**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 808, with Senate Amendments attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Floor Amendment No. 1 to **HB 808** is as follows:

Amend printed copy of **HB 808** on page 5, line 2, after the word "*security,*" by inserting the following: "*or any city which operates a pension under KRS 90.400 or 90.410, shall*".

The Senate Floor Amendment No. 2 to **HB 808** is as follows:

Amend printed copy of **HB 808** on page 7, line 20, by adding thereafter the following:

"Section 3. KRS 78.616 is amended to read as follows:

(1) Any agency participating in the county employes retirement system which has formally adopted a sick leave program that is universally administered to its employes may purchase service credit with the retirement system for up to six (6) months of unused sick leave for each retiring employee.

(2) Participation under this section shall be at the option of each participating employer. The election to participate shall be made by the governing authority of the participating employer and shall be certified in writing to the board on forms prescribed by the board. The certification shall provide for equal treatment of all employes.

(3) Upon the member's notification of retirement as prescribed in KRS 61.590, the employer shall certify the retiring employee's unused, accumulated sick leave balance to the board of trustees of the Kentucky retirement systems. The member's sick leave balance, expressed in days, shall be divided by the average number of working days per month in county service and rounded to the nearest number of whole months. A maximum of six (6) months of the member's sick leave balance, expressed in months, shall be added to his service credit for the purpose of determining his annual retirement allowance under KRS 78.510 to 78.852.

(4) The board shall compute the cost to the retirement system of the sick leave credit of each retiring employee and bill the employer accordingly. The employer shall remit payment within thirty (30) days from receipt of the bill.

(5) As an alternative to subsection (1), (3) and (4) of this section, any agency participating in the county employes retirement system which has formally adopted a sick leave program that is universally administered to its employes shall, at the time of retirement, compensate the employee for as many unused sick-leave days as the employee has accumulated and it is the uniform policy of the agency to allow. The rate of compensation for each unused sick-leave day shall be based on the daily salary rate calculated from the employee's last annual salary. Payment for unused sick-leave days shall be incorporated into the annual salary of the final year of service, if the employee and employer make the regular employee and employer contributions, respectively, on the sick leave payment. The number of sick leave days for which the employee is compensated shall be divided by the average number of working days per month in county service and rounded to the nearest number of

whole months. This number of months shall be added to the employee's total service credit and to the number of months used to determine creditable compensation, pursuant to KRS 78.510, but no more than sixty (60) months shall be used to determine final compensation."

Representative Donnermeyer moved that the House concur in Senate Floor Amendment No. 1 to **HB 808**. Agreed

Representative Donnermeyer moved that the House concur in Senate Floor Amendment No. 2 to **HB 808**. Agreed.

Representative Donnermeyer moved that **HB 808**, as amended by the Senate, be passed.

On the roll call the vote was: Yeas 85, Nays 0. (See March 29, 1988 roll call on **HB 808** - Appendix A.)

HB 808, as amended by the Senate, was passed and the title agreed to.

Representative Donnermeyer moved that the vote by which **HB 808**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 835, with Senate Amendment attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Committee Amendment No. 1 to **HB 835** is as follows:

Amend printed copy of **HB 835** on page 2, delete lines 1 and 2 to eliminate Section 2 in its entirety.

Representative Farrow moved that the House concur in Senate Committee Amendment No. 1 to **HB 835**. Agreed

Representative Farrow moved that **HB 835**, as amended by the Senate, be passed.

On the roll call the vote was: Yeas 87, Nays 0. (See March 29, 1988 roll call on **HB 835** - Appendix A.)

HB 835, as amended by the Senate, was passed and the title agreed to.

Representative Farrow moved that the vote by which **HB 835**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 872, with Senate Amendment attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Committee Amendment No. 1 to **HB 872** is as follows:

Amend printed copy of **HB 872** on page 5, line 2, by changing "shall" to "may" and by deleting "with full benefits"

Representative Donnermeyer moved that the House concur in Senate Committee Amendment No. 1 to **HB 872**. Agreed

Representative Donnermeyer moved that **HB 872**, as amended by the Senate, be passed.

On the roll call the vote was: Yeas 80, Nays 0. (See March 29, 1988 roll call on **HB 872** - Appendix A.)

HB 872, as amended by the Senate, was passed and the title agreed to.

Representative Donnermeyer moved that the vote by which **HB 872**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 907, with Senate Amendment attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Committee Amendment No. 1 to **HB 907** is as follows:

Amend printed copy of **HB 907** on page 1, line 18, after subsection "(2)" by deleting the word "*Where*" and by inserting in lieu thereof: "*Except as provided for by ordinance in a city of the first class or in a county containing a city of the first class,*"; and

On page 1, line 18, after the word "*regulations*" and before the word "*have*" by inserting the word "*which*"; and

On page 2, line 8, after the word "*approval*" by deleting "*and upon completion of construction in that phase*"; and

On page 2, line 9, by deleting "*of the subdivision,*".

Representative Callahan moved that the House concur in Senate Committee Amendment No. 1 to **HB 907**. Agreed

Representative Callahan moved that **HB 907**, as amended by the Senate, be passed.

On the roll call the vote was: Yeas 75. Nays 4. (See March 29, 1988 roll call on **HB 907** - Appendix A.)

HB 907, as amended by the Senate, was passed and the title agreed to.

Representative Callahan moved that the vote by which **HB 907**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 910, with Senate Amendments attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Floor Amendment No. 1 to **HB 910** is as follows:

Amend printed copy of **HB 910** on page 3, line 7.

By inserting the following new section:

"Section 2. KRS 211.350 is amended to read as follows:

(1) The cabinet shall regulate the construction, installation, or alteration of on-site sewage disposal systems except for such systems that have a surface discharge, and for such systems being installed on a farmstead as defined in KRS 318.010(8); however, the cabinet shall regulate the construction, installation or alteration of on-site sewage disposal systems installed on any farmstead located in a county containing a city of the first class.

(2) No person, firm, or corporation shall construct, install, alter or cause to be constructed, installed, or altered, any on-site sewage disposal system subject to regulation by the cabinet without having first obtained an on-site sewage disposal permit from the cabinet. Such construction, installation or alteration shall be performed only by a person certified by the cabinet pursuant to KRS 211.357.

(3) No person, firm, or corporation shall use or continue to use or permit the use or continued use of any on-site sewage disposal system that is constructed, installed, or altered under an on-site sewage disposal

permit where the cabinet through a duly authorized inspector, employe or agent finds that the system was not constructed, installed, or altered in conformance with such permit and regulations issued by the cabinet.

(4) All applications for on-site sewage disposal permits shall be accompanied by plans and specifications for the proposed system, *including results of an approved percolation test in the area where the proposed system is to be located if required by the cabinet by regulation* and additional soils and other information as directed by the cabinet by regulation.

(5) The cabinet shall fix a [reasonable] schedule of fees for the functions performed by the cabinet relating to the regulation of on-site sewage disposal systems. Such fees shall be designed to fully cover the cost of the service performed but shall not exceed the cost of the service performed. Fees payable to the cabinet shall be paid into the state treasury and credited to a trust and agency fund to be used by the cabinet in carrying out its responsibilities relating to the regulation of on-site sewage disposal systems. No part of the fund shall revert to the general fund of the Commonwealth.

(6) Any regulation relating to on-site sewage disposal that is in effect on July 15, 1986, shall remain in effect until altered by the secretary. The secretary may issue additional regulations necessary to carry out the purposes of this section.

(7) All records necessary to properly carry out this section shall be transferred from the department of housing, buildings, and construction to the cabinet for human resources."

The Senate Floor Title Amendment No. 2 to **HB 910** is as follows:

Amend printed copy of **HB 910** by amending the title to read as follows:

"AN ACT relating to construction."

Representative Donnermeyer moved that the House concur in Senate Floor Amendment No. 1 to **HB 910**. Agreed.

Representative Donnermeyer moved that **HB 910**, as amended by the Senate, be passed.

On the roll call the vote was: Yeas 41, Nays 33. (See March 29, 1988 roll call on **HB 910** - Appendix A.)

HB 910, as amended by the Senate, was passed.

Representative Donnermeyer moved that the House concur in Senate Floor Title Amendment No. 2 to **HB 910**. Agreed; and the title was agreed to.

Representative Donnermeyer moved that the vote by which **HB 910**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 928, with Senate Amendment attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Floor Amendment No. 1 to **HB 928** is as follows:

Amend printed copy of **HB 928** on page 2, after line 7, add the following:

"Section 3. KRS 161.545 is amended to read as follows:

(1) Members may make contributions and receive service credit for substitute, part-time or any service other than regular full-time teaching as provided in the rules and regulations of the board of trustees. Members placed on leave of absence may make contributions and receive service credit for such leave as provided in rules and regulations adopted by the board of trustees. Contributions permitted after August 1, 1982 shall not be picked up pursuant to KRS 161.540(2).

(2) A teacher who has been out of the teaching profession, but not on an official leave of absence, for the purpose of obtaining a masters degree may purchase up to one (1) year of service credit in the teachers' retirement system. Credit purchased shall not exceed the time the teacher is enrolled in a masters program. Leave for such purpose shall be verified by a copy of the teacher's college transcript."

Representative Deskins moved that the House concur in Senate Floor Amendment No. 1 to **HB 928**. Agreed.

Representative Deskins moved that **HB 928**, as amended by the Senate, be passed.

On the roll call the vote was: Yeas 86, Nays 1. (See March 29, 1988 roll call on **HB 928** - Appendix A.)

HB 928, as amended by the Senate, was passed and the title agreed to.

Representative Deskins moved that the vote by which **HB 928**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

Representative Stumbo moved that the House refuse to recede in the House Committee Substitute and House Floor Amendment to **SB 300**. Agreed.

Representative Stumbo moved that the House refuse to recede in the House Floor Amendments to **SB 324**. Agreed.

Representative Stumbo moved that the House refuse to recede in the House Floor Amendments to **SB 167**. Agreed.

HB 939, with Senate Amendments attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Floor Amendment No. 1 to **HB 939** is as follows:

Amend printed copy of **HB 939** on page 2, line 24, by deleting "1986" and inserting "1985" in lieu thereof.

The Senate Floor Amendment No. 2 to **HB 939** is as follows:

Amend printed copy of **HB 939** on page 4, after line 6, by adding the following:

"(8) Any statute to the contrary notwithstanding, employes who transferred from the department of education to a school district, from a school district to the department of education, or from one (1) school district to another school district after July 15, 1981, shall receive credit for any unused sick leave to which the employe was entitled on the date of transfer. Such credit shall be for the purposes set forth in KRS 161.155(7)."

Representative Walker moved that the House concur in Senate Floor Amendment No. 1 to **HB 939**. Agreed.

Representative Walker moved that the House concur in Senate Floor Amendment No. 2 to **HB 939**. Agreed.

Representative Walker moved that **HB 939**, as amended by the Senate, be passed.

On the roll call the vote was: Yeas 87, Nays 0. (See March 29, 1988 roll call on **HB 939** - Appendix A.)

HB 939, as amended by the Senate, was passed and the title agreed to.

Representative Walker moved that the vote by which **HB 939**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

The Speaker appointed the following members to serve on a Conference Committee on **SB 300**: Representatives Lear, Chairman; Keith and LeMaster.

The Speaker appointed the following members to serve on a Conference Committee on **SB 324**: Representatives Burch, Chairman; Nett and Overstreet.

The Speaker appointed the following members to serve on a Conference Committee on **SB 167**: Representatives Farrow, Chairman; Donnermeyer and Ackerson.

HB 963, with Senate Amendment attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Floor Amendment No. 2 to **HB 963** is as follows:

Amend printed copy of **HB 963** on page 40, line 12, after the word "report" and before the comma, insert the following: "*to the Legislative Research Commission*"; and

On page 40, after line 15, insert the following:

"(3) In addition to the project status report, all construction, reconstruction or alteration, financed or facilitated in whole or in part by the authority granted by this Act, shall be reported to the Kentucky department of employment services, cabinet for human resources and to the Kentucky Legislative Research Commission not later than fifteen (15) days following the end of the month in which the agreement or contract facilitating or permitting such activity was executed. This report shall be entitled "K.D.F.A. Construction Activity Report" and shall be subject to public information requests as provided by KRS Chapter 61.878. Reports shall list subject construction activity by location of project site, and shall specify the type of construction, project owner, estimated cost of project, and estimated starting and completion dates if known."; and

On page 40, line 16, delete the number "(3)" and insert in lieu thereof the number "(4); and

On page 40, line 17, delete the word "of" and insert the following: ", *K.D.F.A. Construction Activity Report, or*"; and

On page 40, line 18, delete the words, "*Legislative Research Commission*" and insert in lieu thereof, "*the appropriate agency as specified in this Act*"; and

On page 40, delete lines 22 through 25.

Representative Morris moved that the House concur in Senate Floor Amendment No. 2 to **HB 963**. Agreed

Representative Morris moved that **HB 963**, as amended by the Senate, be passed.

On the roll call the vote was: Yeas 79, Nays 3. (See March 29, 1988 roll call on **HB 963** - Appendix A.)

HB 963, as amended by the Senate, was passed and the title agreed to.

Representative Morris moved that the vote by which **HB 963**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 987, with Senate Amendment attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Committee Amendment No. 1 to **HB 987** is as follows:

Amend printed copy of **HB 987** on page 7, after line 20, by deleting Section 3 in its entirety, and renumbering the subsequent section to conform; and, on line 25, by deleting the year "1989" and inserting in lieu thereof

the year "1990".

Representative Ark moved that the House concur in Senate Committee Amendment No. 1 to **HB 987**.
Agreed

Representative Ark moved that **HB 987**, as amended by the Senate, be passed.

On the roll call the vote was: Yeas 86, Nays 2. (See March 29, 1988 roll call on **HB 987** - Appendix A.)

HB 987, as amended by the Senate, was passed and the title agreed to.

Representative Ark moved that the vote by which **HB 987**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 992, with Senate Amendment attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Committee Amendment No. 1 to **HB 992** is as follows:

Amend printed copy of **HB 992** on page 2, line 15, after the "," insert "*purebred Brahman*,"

Representative Arnold moved that the House concur in Senate Committee Amendment No. 1 to **HB 992**.
Agreed

Representative Arnold moved that **HB 992**, as amended by the Senate, be passed.

On the roll call the vote was: Yeas 86, Nays 0. (See March 29, 1988 roll call on **HB 992** - Appendix A.)

HB 992, as amended by the Senate, was passed and the title agreed to.

Representative Arnold moved that the vote by which **HB 992**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 764, with Senate Amendments attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Committee Amendment No. 1 to **HB 764** is as follows:

Amend printed copy of **HB 764** on page 3, line 11, after the word "any" bracket and strike through "overmatch" and insert "*contribution*";

And on page 5, line 19, after the word "of" delete "*renumeration*" and insert "*remuneration*" in lieu thereof;

And on page 34, line 16, after the word "districts" insert "*and the regional educational cooperatives*";

And on page 34, line 23, after the word "districts" insert "*and the regional educational cooperatives*";

And on page 35, line 4, after the word "districts" insert "*and the regional educational cooperatives*";

And on page 37, line 22, after "*twenty-seven (27)*" delete "*years*" and insert "*years*" in lieu thereof;

And on pages 46 through 48, delete Section 19 in its entirety;

And on page 48, line 12, after the word "Section" delete "20" and insert "19" in lieu thereof;

And on page 48, line 15, after the word "or" delete "*the Kentucky valley educational cooperative*" and insert in lieu thereof: "*regional educational cooperatives*";

And on page 48, line 19, after the word "except" delete "*the Kentucky valley educational cooperative*" and insert in lieu thereof: "*regional educational cooperatives*";

And on page 48, line 25, after the word "Section" delete "21" and insert "20" in lieu thereof.

The Senate Committee Amendment No. 2 to **HB 764** is as follows:

Amend printed copy of **HB 764** on page 48, after line 24, by adding the following:

"Section 21. KRS 161.155 is amended to read as follows:

(1) As used in this section:

(a) "Teacher" shall mean any person for whom certification is required as a basis of employment in the common schools of the state;

(b) "Employee" shall mean any person, other than a teacher, employed in the public schools, whether on a full or part-time basis;

(c) "Immediate family" shall mean the teacher's spouse, children including stepchildren, parents and spouse's parents, grandparents and spouse's grandparents, without reference to the location or residence of said relative, and any other blood relative who resides in the teacher's home; and

(d) "Sick-leave bank" shall mean an aggregation of sick leave days contributed by teachers for use by teachers who have exhausted all sick leave and other available paid leave days.

(2) Each district board of education shall allow to each teacher in its common school system not less than ten (10) days of sick leave during each school year, without deduction of salary. Sick leave shall be granted to a teacher if he presents a personal affidavit or a certificate of a physician stating that the teacher was ill or that the teacher was absent for the purpose of attending to a member of his immediate family who was ill. The ten (10) days of sick leave herein granted may be taken by a teacher on any ten (10) days of the school year and shall be granted in addition to accumulated sick leave days that have been credited to the teacher under the provisions of subsection (3) of this section.

(3) Days of sick leave not taken by a teacher during any school year shall accumulate without limitation and be credited to that teacher. Accumulated sick leave may be taken in any school year. Any district board of education may, in its discretion, allow teachers in its common school system sick leave in excess of the number of days prescribed in this section and may allow school district employees and teachers to use up to three (3) days' sick leave per school year for emergency leave pursuant to KRS 161.152(3). Any accumulated sick-leave days credited to a teacher shall remain so credited in the event he transfers his place of employment from one (1) school district to another within the state or to the Kentucky department of education.

(4) Accumulated days of sick leave shall be granted to a teacher, if prior to the opening day of the school year, an affidavit or a certificate of a physician is presented to the district board of education, stating that the teacher is unable to commence his duties on the opening day of the school year, but will be able to assume his duties within a period of time that the board determines to be reasonable.

(5) Any school employee may repurchase previously used sick leave days with the concurrence of the local school board by paying to the district an amount equal to the total of all costs associated with the used sick leave.

(6) A district board of education may adopt a plan for a sick-leave bank. Such plan may include limitations upon the number of days a teacher may annually contribute to the bank and limitations upon the number of days a teacher may annually draw from the bank. Only those teachers who contribute to the bank may draw upon the bank. Days contributed will be deducted from the days available to the contributing teacher. The sick-leave bank shall be administered in accordance with a policy adopted by the board of education.

(7) [(6)] A teacher may use up to thirty (30) days of sick leave following the adoption of a child or children.

(8) [(7)] After July 1, 1982, a district board of education may compensate, at the time of retirement, an employe or a teacher for each unused sick-leave day. The rate of compensation for each unused sick-leave day shall be based on a percentage of the daily salary rate calculated from the employe's or teacher's last annual salary, not to exceed thirty percent (30%). Payment for unused sick-leave days shall be incorporated into the annual salary of the final year of service; provided that the member makes the regular retirement contribution for members on the sick-leave payment. The accumulation of such days includes unused sick-leave days held by the employe or teacher at the time of implementation of such a program."

And on page 48, line 25, by changing "Section 21." to "Section 22."

The Senate Committee Amendment No. 3 to **HB 764** is as follows:

Amend printed copy of **HB 764** on page 41, line 7, by inserting after the word "than" the following:

"one hundred ninety dollars (\$190) effective July 1, 1988 and two hundred dollars (\$200) effective July 1, 1989";
and

On page 41, line 7, by placing a bracket in front of "one" and after "1987" on line 9 and striking through all language between the brackets; and

On page 42, line 4, by inserting after the first comma (,) the following:

"1989, the monthly allowance of all retirees who receive an annuity allowance of less than five hundred dollars (\$500) per month after adjustments for retirement options shall be increased by four percent (4%) of the monthly allowance"; and

On page 42, line 4, by placing a bracket in front of "1988" and placing a closed bracket after "month" on line 21 and deleting all brackets and underlined language, and striking through all current language in between; and

On page 42, line 22, by placing brackets around and striking through "(7)" and inserting "(6)" in lieu thereof; and

On page 43, line 7, by placing brackets around and striking through "(8)" and inserting "(7)" in lieu thereof; and

On page 43, line 9, by placing brackets and striking through "and" the first time it appears and inserting a comma (",") in lieu thereof; and

On page 43, line 9, by inserting after "1986-88" the following:

"and 1989-90"; and

On page 43, line 17, by placing brackets around and striking through "1986-88" and inserting "1988-90" in lieu thereof; and

On page 43, lines 18 and 19, by placing brackets around "subsections (5) and (6)" and inserting "subsection (5)" in lieu thereof.

The Senate Floor Amendment No. 6 to **HB 764** is as follows:

Amend printed copy of **HB 764** on page 30, line 14, by placing brackets and strikethroughs around "1984" and inserting "1988" in lieu thereof; and

On line 15, by placing brackets and strikethroughs through "nine and six-tenths percent

"nine and eight hundred fifty-five thousandths percent (9.855%)" in lieu thereof; and

On line 17, by placing brackets and strikethroughs through "eight and twelve-hundredths percent (8.12%)" and inserting *"eight and three hundred seventy-five thousandths percent (8.375%)"* in lieu thereof; and

On page 37, line 11, by deleting *"thirty (30)"* and inserting *"twenty-seven (27)"* in lieu thereof; and

On page 37, line 12, by deleting *"or"* and inserting *"(c)"* in lieu thereof;

And on page 37, line 12 by deleting the bracket and strikethroughs from "Completion of" and placing brackets around and striking through *"thirty (30)"* and inserting *"twenty-seven (27)"* in lieu thereof; and

On page 37, line 13, by placing a bracket in front of the comma (,) and after the semi-colon (;) on line 19, and on line 19 by removing the strikethroughs and bracket from "and";

And on page 37, line 20, by placing a bracket in front of "(c)" and striking through the "(c)" and deleting the bracket in front of "Benefits" on line 26; and on lines 20 through 26 by removing all underlined language.

Representative Noe moved that the House concur in Senate Committee Amendment No. 1 to **HB 764**. Agreed.

Representative Noe moved that the House concur in Senate Committee Amendment No. 2 to **HB 764**. Agreed.

Representative Noe moved that the House concur in Senate Committee Amendment No. 3 to **HB 764**. Agreed.

Representative Noe moved that the House concur in Senate Floor Amendment No. 6 to **HB 764**. Agreed.

Representative Hancock moved that Senate Committee Amendment No. 2 be reconsidered to **HB 764**.

On the roll call the vote was yeas 76-Ackerson, Adams, Adkins, Allen, Altman, Ark, Arnold, Ballard, Blevins, Bronger, J. Brown, M. Brown, Bruce, Callahan, Casebier, Castleman, L. Clark, P. Clark, Cline, Crupper, Curd, Deskins, Donnermeyer, Farrow, Freibert, Gedling, Geveden, Gray, Gregory, Guenther, Hancock, Handy, J. Harper, K. Harper, Hatcher, Heleringer, Hourigan, Jackson, Johnson, A. Jones, R. Jones, Keith, Kerr, Lefevers, LeMaster, Lile, Little, Long, Lundergan, Mack, Maggard, McBee, McElroy, Napier, Nett, Noe, Noland, Northup, Priddy, Pritchett, Reinhardt, B. Richardson, P. Richardson, Ridley, Riner, Robinson, Seum, Siler, B. Smith, Strong, Todd, Turner, Walker, White, Will, Yates. Nays 0.

The motion that Senate Committee Amendment No. 2 to **HB 764** be reconsidered was adopted.

Representative Hancock moved that the House refuse to concur in Senate Committee Amendment No. 2 to **HB 764**.

Representative Hancock moved that his motion that the House refuse to concur in Senate Committee Amendment No. 2 to **HB 764** be withdrawn. Agreed.

Representative Hancock moved that the House concur in Senate Committee Amendment No. 2 to **HB 764**. Agreed.

Representative Hancock moved that the House reconsider the vote on Senate Committee Amendment No. 3 to **HB 764**.

On the roll call the vote was yeas 69-Ackerson, Adams, Adkins, Allen, Altman, Ark, Arnold, Blevins, Bronger, J. Brown, M. Brown, Callahan, Casebier, Castleman, L. Clark, P. Clark, Cline, Crupper, Curd, Cyrus, Donnermeyer, Farrow, Freibert, Geveden, Gray, Gregory, Guenther, Hancock, Handy, K. Harper, Hatcher, Heleringer, Hourigan, Jackson, Johnson, A. Jones, R. Jones, Kerr, Lefevers, LeMaster, Little, Long, Lundergan, Mack, Maggard, Mason, McBee, McElroy, Morris, Nett, Noland, Northup, O'Brien, Overstreet, Priddy,

Pritchett, Reinhardt, P. Richardson, Ridley, Riner, Seum, Siler, B. Smith, Strong, Todd, Turner, Walker, Will, Yates. Nays 5-J. Harper, Keith, Lyne, Napier, White.

The motion that the vote be reconsidered on Senate Committee Amendment No. 3 to **HB 764** was adopted.

Representative Hancock moved that the House refuse to concur in Senate Committee Amendment No. 3 to **HB 764**. Agreed.

HB 527, with Senate Amendment attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Committee Amendment No. 1 to **HB 527** is as follows:

Amend printed copy of **HB 527** on page 1, line 14,

By inserting the following new section:

"Section 2. KRS 216B.020 is amended to read as follows:

(1) The provisions of this chapter that relate to the issuance of a certificate of need shall not apply to family care homes, state veterans' nursing homes or non-conforming ambulance services as defined by administrative regulation.

(2) Nothing in this chapter shall be construed to authorize the licensure, supervision, regulation or control in any manner of:

(a) Private offices and clinics of physicians, dentists, and other practitioners of the healing arts;

(b) Office buildings built by or on behalf of a health facility for the exclusive use of physicians, dentists and other practitioners of the healing arts, provided that no capital expenditure or expenses relating to any such building shall be chargeable to or reimbursable as a cost for providing inpatient services offered by a health facility;

(c) Dispensaries and first-aid stations located within business or industrial establishments maintained solely for the use of employees, provided that such facility does not contain inpatient or resident beds for patients or employees who generally remain in the facility for more than twenty-four (24) hours;

(d) Establishments, such as motels, hotels and boarding houses which provide domiciliary and auxiliary commercial services, but do not provide any health related services and boarding houses which are operated by persons contracting with the United States veterans administration for boarding services;

(e) The remedial care or treatment of residents or patients in any home or institution conducted only for those who rely solely upon treatment by prayer or spiritual means in accordance with the creed or tenets of any recognized church or religious denomination and recognized by that church or denomination; and

(f) On-duty police and fire department personnel assisting in emergency situations by providing first-aid or transportation when regular emergency units licensed to provide first-aid or transportation are unable to arrive at the scene of an emergency situation within a reasonable time.

(g) *Personal care homes, as defined in KRS 216.750(2), located in any county containing over seven hundred fifty (750) square miles. If the local public health officer makes the determination that any personal care home with under sixteen (16) beds, in such county, maintains adequate safety and health standards the cabinet for human resources shall issue a license to operate the personal care home."*

Representative K. Harper moved that the House concur in Senate Committee Amendment No. 1 to **HB 527**. Agreed

Representative K. Harper moved that **HB 527**, as amended by the Senate, be passed.

On the roll call the vote was: Yeas 77, Nays 5. (See March 29, 1988 roll call on **HB 527** - Appendix A.)

HB 527, as amended by the Senate, was passed and the title agreed to.

Representative K. Harper moved that the vote by which **HB 527**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HCR 48, as amended by Senate Committee Amendment No. 1 and concurred in by the House, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

Representative O'Brien moved that **HCR 48**, as amended by the Senate, be passed.

On the roll call the vote was: Yeas 81, Nays 0. (See March 29, 1988 roll call on **HCR 48** - Appendix A.)

HCR 48, as amended by the Senate, was passed and title agreed to.

Representative O'Brien moved that the vote by which **HCR 48**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 1017, with Senate Committee Substitute attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Committee Substitute to **HB 1017** is as follows:

HB 1017. AN ACT relating to urban-county government.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 67A.025 is amended to read as follows:

(1) In order to provide professional assistance in the administration of urban-county governments, a chief administrative officer may be employed to serve on the staff of the chief executive officer. The chief administrative officer shall possess demonstrable education and/or professional experience in the art and science of governmental management. The chief administrative officer may be a nonresident of Kentucky and/or the urban-county, but must become a resident of the urban-county within six (6) months of appointment and shall maintain such residence during the tenure of his or her office.

(2) The chief administrative officer shall be appointed by the chief executive officer subject to confirmation by a vote of three-fifths of the legislative body.

(3) The chief administrative officer of *any* ~~an~~ urban-county government *created before December 31, 1987*, may be removed, with or without cause, by: (a) executive order of the chief executive officer; or (b) three-fifths vote of the entire legislative body.

~~[(4)]~~ Upon removal, the chief administrative officer shall not be entitled to severance pay or notice of intention to remove him or her. *The chief administrative officer of any urban-county government created after December 31, 1987, may be removed by three-fifths (3/5) vote of the entire legislative body.*

Section 2. KRS 67A.200 is amended to read as follows:

(1) Whenever the comprehensive plan adopted pursuant to KRS chapter 67A requires the implementation of a merit or civil service system for the employees of an urban county government, such system shall be implemented by the urban county government so as to guarantee the substantive and procedural rights possessed by any employee of a government in existence within the boundaries of the urban county prior to the effective date of merger.

(2) During the time a merit or civil service system is being implemented pursuant to the requirements of a comprehensive plan all procedural and substantive rights possessed by any employe of a government in existence within the boundaries of the urban county prior to the effective date of merger shall be protected.

(3) *Any urban-county government created after December 31, 1987, shall be exempt from the provisions of KRS 67A.210 to 67A.350.*

Section 3. KRS 67A.050 is amended to read as follows:

The comprehensive plan for merging city and county governments into an urban county government under this chapter may provide for the corporate dissolution of incorporated municipalities *and special districts* within the county whereupon:

(1) For purposes of all state and federal licensing and regulatory laws, statutory entitlement, gifts, grants-in-aid, governmental loan, or other governmental assistance under state or federal laws, rules or regulations;

(a) The urban county shall be deemed a county and shall also be deemed to contain incorporated municipalities of the number and classes which existed in the county on the day prior to the date the urban county government became effective; and the entire geographic area and population of the urban county shall be considered in calculating and determining the distribution basis for state or federal statutory entitlements, gifts, grants-in-aid, loans, or other forms of governmental assistance;

(b) The urban county government is empowered to designate to the appropriate state or federal agency those geographic areas, portions of roads, segments of population, or combinations thereof which shall be deemed to constitute rural or urban areas, roads or population, notwithstanding whether such areas, roads or population are within incorporated municipalities.

(2) The chief executive officer of the urban county government shall determine and make the designations herein following a public hearing thereon. The urban county government shall fix the time and place of the hearing which shall be advertised pursuant to KRS chapter 424.

Representative Meyer moved that the House concur in Senate Committee Substitute to **HB 1017**. Agreed

Representative Meyer moved that **HB 1017**, as amended by the Senate Committee Substitute, be passed.

On the roll call the vote was: Yeas 73, Nays 4. (See March 29, 1988 roll call on **HB 1017** - Appendix A.)

HB 1017, as amended by the Senate Committee Substitute, was passed and the title agreed to.

Representative Meyer moved that the vote by which **HB 1017**, as amended by the Senate Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

HJR 81, with Senate Amendments attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Committee Amendment No. 1 to **HJR 81** is as follows:

Amend printed copy of **HJR 81** on page 2, after line 3, by adding the following:

"Section 3. That by July 1, 1989, the State Board of Education with the assistance of the Council on Teacher Education and Certification shall promulgate administrative regulations for the approval of a program for a Master of Arts in Teaching Degree to be conferred on students who complete a rigorous graduate level study of the philosophy and practice of teaching.

Section 4. That the State Board of Education shall notify the colleges of education of the contents of this resolution and encourage such colleges to develop post-baccalaureate programs leading to the Master of Arts in Teaching Degree and other programs to encourage highly qualified individuals to enter teaching.

The correspondence with the colleges of education shall include information relating to the need for new program approval from the Council on Higher Education.

Section 5. That the Program Review and Investigations Committee evaluate the Commonwealth's system of preparing teachers including, but not limited to, a review of the following:

- (1) The value of the requirements for initial certification and continuing education;
- (2) The need to develop and evaluate experimental alternatives to the traditional Rank I and Rank II requirements;
- (3) The current in-service and continuing education requirements for teachers and instructional leaders;
- (4) A comparison to the continuing education requirements of related professions;
- (5) The projection of the supply and demand for teachers over the next ten (10) years;
- (6) The feasibility of implementing annual performance evaluations of colleges of education or other methods of improving quality; and
- (7) The role of the State Board of Education, the Council on Teacher Education and Certification, and the Council on Higher Education in advancing an effective teaching profession.

Section 6. The Program Review and Investigations Committee shall report its findings and recommendations to the Interim Joint Committee on Education and the Legislative Research Commission no later than July 1, 1989. The Interim Joint Committee shall conduct a hearing on the report no later than September 1, 1989.

Section 7. Staff services to be utilized in completing this study are estimated to cost \$25,000. These staff services shall be provided from the regular Commission budget and are subject to the limitation and other research responsibilities of the Commission."

The Senate Committee Title Amendment No. 2 to **HJR 81** is as follows:

Amend printed copy of **HJR 81** by amending the title to read as follows:

"A JOINT RESOLUTION directing activities for the improvement of education."

Representative Reinhardt moved that the House concur in Senate Committee Amendment No. 1 to **HJR 81**.

Representative Overstreet inquired whether Senate Committee Amendment No. 1 to **HJR 81** was in proper form.

The Speaker ruled that Senate Committee Amendment No. 1 to **HJR 81** was in proper form.

Representative Reinhardt moved that the House concur in Senate Committee Amendment No. 1 to **HJR 81**. Agreed.

Representative Reinhardt moved that **HJR 81**, as amended by the Senate, be passed.

On the roll call the vote was: Yeas 79, Nays 0. (See March 29, 1988 roll call on **HJR 81** - Appendix A.)

HJR 81, as amended by the Senate, was passed.

Representative Reinhardt moved that the House concur in Senate Committee Title Amendment No. 2 to **HJR 81**. Agreed; and the title was agreed to.

Representative Reinhardt moved that the vote by which **HJR 81**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

Report on Enrolled Bills

The Committee on Enrollment reported **HB 20, HB 381, HB 570, HB 658, HB 670, HB 906, HB 22, HB 49, HB 76, HB 85, HB 176, HB 232, HB 233, HB 280, HB 455, HB 473, HB 490, HB 501, HB 507, HB 534, HB 555, HB 557, HB 559, HB 561, HB 566, HB 582, HB 593, HB 605, HB 609, HB 618, HB 620, HB 621, HB 623, HB 627, HB 657, HB 688, HB 695, HB 707, HB 708, HB 720, HB 725, HB 735, HB 747, HB 750, HB 756, HB 771, HB 791, HB 838, HB 840, HB 841, HB 842, HB 843, HB 852, HB 857, HB 861, HB 883, HB 889, HB 902, HB 920, HB 935, HB 937, HB 959, HB 961, HB 976, HB 977, HB 989, HB 1011, HJR 46, HCR 64, HJR 70, HCR 109, HCR 114, HCR 116, HJR 122, HCR 131 and HB 220** had been examined and found correctly enrolled. Said Bills and Resolutions read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate. (Time - 3:30 p.m.)

HB 20, HB 381, HB 570, HB 658, HB 670, HB 906, HB 22, HB 49, HB 76, HB 85, HB 176, HB 232, HB 233, HB 280, HB 455, HB 473, HB 490, HB 501, HB 507, HB 534, HB 555, HB 557, HB 559, HB 561, HB 566, HB 582, HB 593, HB 605, HB 609, HB 618, HB 620, HB 621, HB 623, HB 627, HB 657, HB 688, HB 695, HB 707, HB 708, HB 720, HB 725, HB 735, HB 747, HB 750, HB 756, HB 771, HB 791, HB 838, HB 840, HB 841, HB 842, HB 843, HB 852, HB 857, HB 861, HB 883, HB 889, HB 902, HB 920, HB 935, HB 937, HB 959, HB 961, HB 976, HB 977, HB 989, HB 1011, HJR 46, HCR 64, HJR 70, HCR 109, HCR 114, HCR 116, HJR 122, HCR 131 and HB 220 delivered to the Senate, signed by the President. Ordered delivered to the Governor.

Senate Message

Message received on **HB 371**: The Senate has refused to recede from its Amendments to **HB 371** and is respectfully returning same to this Honorable Body asking for a Conference Committee to be appointed.

Message received on **HB 371**: The Senate has appointed following members to serve on a Conference Committee on **HB 371**: Senators Ford, Brinkley and Huff.

Message received on **SB 268**: The Senate has appointed following members to serve on a Conference Committee on **SB 268**: Senators Ford, Travis and Higdon.

Orders of the Day (continued)

The Speaker appointed the following members to serve on a Conference Committee on **HB 371**: Representatives Barrows, Chairman; A. Jones, Gedling and Casebier.

HCR 92, with Senate Amendment attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Committee Amendment No. 1 to **HCR 92** is as follows:

Amend printed copy of **HCR 92** on page 2, lines 8 and 9 by deleting the words "and to the House and Senate Leaders of each state legislature."

and on page 2, line 9, by adding the following:

"Section 3. That the clerk of the House transmit copies of this concurrent resolution to the House and Senate Leaders of each state legislature with the request that they communicate their support for such legislation to the Congress of the United States."

Representative Gray moved that the House concur in Senate Committee Amendment No. 1 to **HCR 92**. Agreed

Representative Gray moved that **HCR 92**, as amended by the Senate, be passed.

On the roll call the vote was: Yeas 76, Nays 0. (See March 29, 1988 roll call on **HCR 92** - Appendix A.)

HCR 92, as amended by the Senate, was passed and the title agreed to.

Representative Gray moved that the vote by which **HCR 92**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 203, with Senate Committee Substitute attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Committee Substitute to **HB 203** is as follows:

HB 203, AN ACT relating to liability insurance rates.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF SUBTITLE 13 OF KRS CHAPTER 304 IS CREATED TO READ AS FOLLOWS:

Rates for professional, commercial, and governmental liability insurance shall be based on Kentucky experience when actuarially credible. This section shall not apply to rates for motor vehicle liability insurance, workers' compensation insurance, and employers' liability insurance.

Representative Cline moved that the House concur in Senate Committee Substitute to **HB 203**. Agreed

Representative Cline moved that **HB 203**, as amended by the Senate Committee Substitute, be passed.

On the roll call the vote was: Yeas 70, Nays 1. (See March 29, 1988 roll call on **HB 203** - Appendix A.)

HB 203, as amended by the Senate Committee Substitute, was passed and the title agreed to.

Representative Cline moved that the vote by which **HB 203**, as amended by the Senate Committee Substitute, was passed be reconsidered and said motion be placed on the table. Agreed.

A Conference Committee Report was filed on **SB 268**.

Representative Lear moved that the Conference Committee Report on **SB 268** requesting a Free Conference be adopted. Agreed.

The Speaker announced the appointment of the previously appointed members of the Conference Committee to the Free Conference Committee on **SB 268**.

Representative Stumbo moved that no other business be conducted during recess other than the acceptance of Senate Messages. Agreed.

Recess

Representative Stumbo moved that the House recess until 5:30 p.m. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

A Conference Committee Report was filed on **HB 665**.

Report on Enrolled Bills

The Committee on Enrollment reported **SB 88, SB 104, SB 147, SB 158, SB 199, SB 275, SB 293, SB 328** and **SB 377** had been examined and found correctly enrolled. Said Bills read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate. (Time - 5:34 p.m.)

Orders of the Day (continued)

HB 319, with Senate Amendment attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Floor Amendment No. 1 to **HB 319** is as follows:

Amend printed copy of **HB 319** on page 2, line 11, by deleting "*each fiscal year*".

Representative Lundergan moved that the House refuse to concur in Senate Floor Amendment No. 1 to **HB 319**. Rejected.

Representative Lundergan moved that **HB 319**, as amended by the Senate, be passed.

On the roll call the vote was: Yeas 62, Nays 8. (See March 29, 1988 roll call on **HB 319** - Appendix A.)

HB 319, as amended by the Senate, was passed and the title agreed to.

Representative Lundergan moved that the vote by which **HB 319**, as amended by the Senate, was passed be reconsidered and said motion be placed on the table. Agreed.

Representative Stumbo moved that the House refuse to recede from House Committee Substitute, House Floor Amendment No. 3 and House Committee Title Amendment to **SB 130**. Agreed.

Recess

Representative Stumbo moved that the House recess until 6:30 p.m. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

A Conference Committee Report was filed on **SB 324**.

A Conference Committee Report was filed on **SB 300**.

Senate Message

Message received on **SB 268**: The Senate has appointed the following members to serve on a Free Conference Committee on **SB 268**: Senators Saunders, Ford, Travis and Higdon.

Message received on **HB 665**: The Senate has appointed the following members to serve on a Free Conference Committee to **HB 665**: Senators Wright, Clouse, O'Daniel and Trevey.

Message received on **SB 167**: The Senate has appointed the following members to serve on a Conference Committee on **SB 167**: Senators LeMaster, Peniston and Rogers.

Message received on **SB 300**: The Senate has appointed the following members to serve on a Conference Committee to **SB 300**: Senators Kafoglis, O'Daniel and Williams.

Message received on **SB 300**: The Senate has appointed the following members to serve on a Free Conference Committee to **SB 300**.

Message received on **SB 324**: The Senate has appointed the following members to serve on a Conference Committee to **SB 324**.

Message received on **SB 324**: The Senate has appointed the following members to serve on a Free Conference Committee to **SB 324**: Senators Quinlan, Hall, Trevey and Saunders.

Report on Enrolled Bills

The Committee on Enrollment reported **HB 87, HB 173, HB 203, HB 571, HB 591, HB 856 and HB 1017** had been examined and found correctly enrolled. Said Bills read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate. (Time - 6:45 p.m.)

HB 87, HB 173, HB 203, HB 571, HB 591, HB 856 and HB 1017 delivered to the Senate, signed by the President. Ordered delivered to the Governor.

The Speaker appointed the following members to serve on a Conference Committee on **SB 130**: Representatives Johnson, Chairman; McElroy and Robinson.

Representative Stumbo moved that the Conference Committee Report on **HB 665** requesting a Free Conference be adopted. Agreed.

The Speaker announced the appointment of the previously appointed members of the Conference Committee to the Free Conference Committee on **HB 665**.

Representative Stumbo moved that the Conference Committee Report on **SB 201** requesting a Free Conference be adopted. Agreed.

The Speaker announced the appointment of the previously appointed members of the Conference Committee to the Free Conference Committee on **SB 201**.

Representative Stumbo moved that the rules be suspended for the purpose of allowing a motion to reconsider. Agreed.

Representative Noe moved that the vote on Senate Committee Amendment No. 1 to **HB 319** be reconsidered. Agreed.

Representative Lundergan moved that the House refuse to concur with Senate Committee Amendment No. 1 to **HB 319**. Agreed.

Representative Ackerson moved that the rules be suspended to introduce and act upon Resolutions. Agreed.

HR 219, by Representative Ackerson: A RESOLUTION adjourning in honor of The Women's Club of St. Matthews.

Representative Ackerson moved the adoption of the following **HR 219**:

HR 219. A RESOLUTION adjourning in honor of The Women's Club of St. Matthews.

WHEREAS, The Women's Club of St. Matthews has long been involved in cultural and civic activities; and

WHEREAS, the St. Matthews community is extremely fortunate to have such an outstanding organization; and

WHEREAS, The Women's Club of St. Matthews will celebrate its fiftieth anniversary of service to the community on April 18, 1988;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House hails the members of The Women's Club of St. Matthews for their dedication and countless hours of service to their community and to the Commonwealth of Kentucky.

Section 2. That when the House adjourns this day, Tuesday, March 29, 1988, it does so in honor of The Women's Club of St. Matthews.

Section 3. That the Clerk of the House is directed to transmit a copy of this resolution to The Women's Club of St. Matthews, 4124 Shelbyville Road, Louisville, Kentucky, 40207.

HR 219 was adopted by voice vote.

HR 215, by Representative Cline: A RESOLUTION honoring the Prichard Elementary School and Grayson area firefighters.

Representative Cline moved the adoption of the following HR 215:

HR 215. A RESOLUTION honoring the Prichard Elementary School and Grayson area firefighters.

WHEREAS, more than one thousand elementary schoolchildren were safely evacuated from Prichard Elementary School in Grayson, Kentucky, as fire raged through the building yesterday; and

WHEREAS, no school fire in Kentucky has ever claimed a schoolchild as a victim; and

WHEREAS, this safety record holds because of the cool-headed efforts of such people as Prichard principal Roger McGlone and his faculty and staff, who saw the building cleared yesterday in ninety seconds; and

WHEREAS, the brave and capable volunteer firefighters from Carter County and the Ashland Fire Department are to be commended for their determined efforts in battling the fire, the worst in Carter County history;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House extends its sympathy to the many Carter Countians who had strong attachments to Prichard Elementary School.

Section 2. That the House commends the Prichard Elementary faculty, staff and student body, as well as the Carter County and Ashland firefighters for all their efforts to prevent panic or injury on this sad occasion.

Section 3. That eight copies of this resolution be sent to Roger McGlone, Principal, Prichard Elementary School, Grayson, Kentucky, for distribution to Superintendent Harold Holbrook and appropriate others.

HR 215 was adopted by voice vote.

HR 213, by Representatives Scorsone, Arnold, Hoover, Adams, J. Harper, Noland, Lefevers, Reinhardt, Riner and Johnson: A RESOLUTION commending KET for its excellent coverage of the 1988 Session.

Representative Scorsone moved the adoption of the following HR 213:

HR 213. A RESOLUTION commending KET for its excellent coverage of the 1988 Session.

WHEREAS, the democratic institutions of our government depend for their strength on an informed citizenry; and

WHEREAS, Kentucky Educational Television, through its daily, extended coverage of the work of the General Assembly, provides a valuable service to this body and to the people of the Commonwealth; and

WHEREAS, tens of thousands of Kentuckians have, through KET, been able to attend our committee meetings and watch floor debates, coming to understand more clearly the issues before us and the work of their elected representatives;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House is proud to commend the excellent coverage of the 1988 Session provided by KET.

Section 2. That the House salutes the dedication and exemplary work of the men and women of KET who made this coverage possible.

Section 3. That the Clerk of the House is directed to transmit a copy of this resolution to Mr. O. Leonard Press, Executive Director of Kentucky Educational Television, and to the members of the KET production crew for the 1988 Session of the General Assembly.

HR 213 was adopted by voice vote.

HR 212, by Representatives J. Brown, McElroy, Seum, Preston, Napier, Overstreet and Deskins: A RESOLUTION honoring Philip Stone.

Representative J. Brown moved the adoption of the following **HR 212**:

HR 212. A RESOLUTION honoring Philip Stone.

WHEREAS, Philip Stone has served the Commonwealth of Kentucky in many capacities, including those of state policeman, sheriff, and county judge; and

WHEREAS, Philip Stone did serve this honorable body as a Representative from the 15th District with honor and distinction for six regular sessions and one special session; and

WHEREAS, Philip Stone's last session as a state representative was the 1986 Session of the General Assembly;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That when the House adjourns this day, Tuesday, March 29, 1988, it does so in honor of Philip Stone.

Section 2. That a copy of this resolution be sent to Philip Stone, 620 West Reservoir Avenue, Central City, Kentucky, 42330.

HR 212 was adopted by voice vote.

Representative Seum moved the rules be suspended to act upon a Legislative Citation. Agreed.

Representative Seum moved the adoption of Legislative Citation No. 134. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby commends the persistence and dedication of THOMAS MICHAEL CROWE to his campaign to create barrier awareness in the Commonwealth. For Thomas Michael Crowe is keenly aware of the need for barrier awareness in Kentucky and Thomas Michael Crowe has spent long hours educating the people of the state to the critical necessity of barrier awareness and its importance to those people who cannot fully understand the implications of living with a disability. Thomas Michael Crowe, the Kentucky House of Representatives honors you for your loyalty and endurance in striving to obtain your dream.

Representative McBee moved the rules be suspended to act upon a Legislative Citation. Agreed.

Representative McBee moved the adoption of Legislative Citation No. 136. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby recognizes that PETE FLYNN has dated Mother Nature and run with Father Time. For this we in the State Legislature do pay homage to him on this his Sesquicentennial Celebration.

Not often on this earth does man live to celebrate a hundred years, and not often does a restaurateur's food taste as if its been around that long too.

We acknowledge the first hundred years of his birth, but we sincerely hope the next one hundred years do bring about some type of personality change.

A Free Conference Committee Report was filed on **HB 665**.

Representative Johnson moved the rules be suspended to act upon a Legislative Citation. Agreed.

Representative Johnson moved the adoption of Legislative Citation No. 135. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby congratulates and applauds ORLANDO STEWART a graduating senior at Owensboro High School for the honor of being named the Outstanding Player in the 3rd Region Boys Basketball Tournament. This is recognition which is well deserved and for which you can be very proud. Further, the accomplishments you have achieved through dedication and hard work on the basketball court will benefit you in many different ways in the years ahead.

The House of Representatives joins Representative Louis Johnson in commending you.

Representative Blevins moved that the rules be suspended to introduce and act upon a Resolution. Agreed.

HR 217, by Representative Blevins: A RESOLUTION commending the Rowan County Courthouse Preservation Committee, Inc.

Representative Blevins moved the adoption of the following **HR 217**:

HR 217, A RESOLUTION commending the Rowan County Courthouse Preservation Committee, Inc.

WHEREAS, the eighty-nine-year-old Rowan County Courthouse in Morehead, Kentucky, had fallen into a dilapidated state of ruin a few years ago; and

WHEREAS, the Rowan County Courthouse Preservation Committee, Inc. was established with the goal of refurbishing the once stately structure; and

WHEREAS, this difficult task could not have been achieved without the support of the citizens in the Rowan County community; and

WHEREAS, the old Rowan County Courthouse is now a beautiful museum and center for community distribution and storage;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House of Representatives does hereby commend the Rowan County Courthouse Preservation Committee, Inc. for its vision and leadership.

Section 2. That the House of Representatives also commends the citizens of Rowan County for their community involvement, without which this project would not have been realized.

Section 3. That the Clerk of the House of Representatives is directed to transmit a copy of this resolution to Ms. Jean Hill, Rowan County Courthouse Preservation Committee, 493 North Wilson, Morehead, Kentucky, 40351.

HR 217 was adopted by voice vote.

The Speaker announced the appointed of the following members to serve on a Conference Committee on **HB 319**: Representatives Lundergan, Chairman; Noe and Heleringer.

Representative B. Richardson moved that the rules be suspended to introduce and act upon a Resolution. Agreed.

HR 210, by Representatives B. Richardson, Turner, Rapier and Altman: A RESOLUTION honoring the First Battalion, 623rd Field Artillery of the Army National Guard, Glasgow, Kentucky, Headquarters and Headquarters Battery, Glasgow Battery A, Tompkinsville Battery B, Campbellsville Battery C, Monticello, Service Battery, Springfield, Kentucky.

Representative B. Richardson moved the adoption of the following **HR 210**:

HR 210. A RESOLUTION honoring the First Battalion, 623rd Field Artillery of the Army National Guard, Glasgow, Kentucky, Headquarters and Headquarters Battery, Glasgow Battery A, Tompkinsville Battery B, Campbellsville Battery C, Monticello, Service Battery, Springfield, Kentucky.

WHEREAS, the First Battalion, 623rd Field Artillery was selected the Best National Guard Battalion in the United States of America by the Chief of Staff of the Army; and

WHEREAS, this distinction is the culmination of the efforts of every soldier who has earned the distinction of being a member of Morgan's Men; and

WHEREAS, the First Battalion, 623rd Field Artillery won the impressive Walter T. Kerwin Readiness Award in 1987, which is the top award for such a group; and

WHEREAS, the First Battalion, 623rd Field Artillery won the admirable Milton A. Reckord Trophy in 1981, 1983, 1985, and 1986 for being rated the outstanding battalion in each Army Area during the training year; and

WHEREAS, the battalion was honored with the Eisenhower Trophy in 1982, 1983 and 1986 by the National Guard Bureau for being the most outstanding unit during the training year; and

WHEREAS, this distinguished battalion was awarded the National Guard Association Trophy, the Pershing Trophy in 1985; and

WHEREAS, the units of this battalion have consistently won the Army National Guard Superior Unit Award since 1955 for receiving a superior unit rating for the previous training year; and

WHEREAS, the First Battalion, 623rd has a proud history that dates back to the parent unit constituted May 22, 1846, as the First Kentucky Volunteer Cavalry Regiment; and

WHEREAS, soon after being organized, the Regiment was called to federal service, being mustered out on June 7, 1846, at New Orleans, Louisiana; after having fought in the Mexican War Campaign, at Buena Vista; and

WHEREAS, soon after being organized as part of the Kentucky State Guard, the unit was mustered into Confederate Service and became a part of "Morgan's

Squadron," Kentucky Cavalry, and was expanded and redesignated the Second Kentucky Cavalry Regiment (Morgan's Men) in June 1862; and

WHEREAS, it served with General Morgan and the Confederate States of America, receiving battle streamers for Kentucky (1861 to 1864), Tennessee (1861 to 1865), Shiloh, Murfreesboro, Ohio River (1863), and the Carolinas; and

WHEREAS, on April 1, 1929, the battalion was consolidated and reorganized as part of the 123rd Cavalry Regiment and later the 106 Separate Coast Artillery; and

WHEREAS, the battalion went on active duty January 6, 1941, and was attached to many units of the Army, including the 45th Division, the "Thunderbirds". The battalion received the following battle honors during World War II: Algeria - French Morocco (Invasion); Tunisia; Sicily (Invasion); Naples - Foggia (Invasion); Rome - Arno; Anzio (Invasion), Southern France (Invasion); Rhineland; Central Europe; and

WHEREAS, the battalion was re-activated as the 623rd FA Bn in January 1947, and joined many other units serving the Commonwealth of Kentucky. On December 23, 1950, the battalion was again ordered to active duty; and

WHEREAS, the battalion trained at Ft. Bragg, North Carolina, before being ordered to foreign duty with the U. N. Forces in Korea, where it received the following battle honors: Second Korean Winter, Korean Summer 1952, Third Korean Winter, Korean Summer - Fall 1953; Korean Presidential Unit Citation; and Navy Unit Commendation; and

WHEREAS, the history and name "Morgan's Men" had been with the battalion for more than a century and a lineage that has carried the battalion from the Mexican War through the Korean Conflict; and

WHEREAS, May 1, 1969, the battalion was redesignated the 1st Battalion, 623rd Artillery and on July 24, 1972, pursuant to an Executive Order of Governor Louie B. Nunn, it was redesignated "Morgan's Men" with its coat of arms and distinctive insignia; and

WHEREAS, its motto is "Seize the Opportunity" and its shield is red for artillery, strewn with fleur-de-lis to commemorate the many campaigns in the European Theater during World War II; the blue pallets are for service during the War with Spain and World War I as infantry; the chief is yellow for Cavalry; the cactus is for Mexican War service; and the saltire for Civil War service is gray to indicate Confederate service;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House of Representatives hails "Morgan's Men," the First Battalion, 623rd Field Artillery of the Army National Guard on receiving the 1987 Walter T. Kerwin Readiness Award.

Section 2. That this honorable body commends Morgan's Men, the First Battalion, 623rd Field Artillery for their exemplary service to our country; their many campaigns and battle honors where the Battalion has courageously and faithfully exhibited the strength and character of Kentuckians.

Section 3. That a copy of this resolution be transmitted to the commanding officer, Headquarters 1st Bn 623rd Field Artillery, Cavalry Drive, Glasgow, Kentucky 42141-1045 and the Adjutant General of the Commonwealth of Kentucky.

HR 210 was adopted by voice vote.

Representative Casebier moved the rules be suspended for the purpose of recording votes. Agreed.

Representative Casebier moved that he be recorded as voting "nay" on **HB 793** and "yea" on **HB 87**. Agreed.

Representative Hoover moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Hoover moved that her vote be changed from "nay" to "yea" on **HB 629**. Agreed.

Representative White moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative White moved that her vote be changed from "nay" to "yea" on **HB 203**. Agreed.

Representative Blevins moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Blevins moved that his vote be changed from "nay" to "yea" on **HB 527**. Agreed.

Representative P. Clark moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative P. Clark moved that he be recorded as voting "yea" on **HB 910**. Agreed.

Representative Heleringer moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Heleringer moved that his vote be changed from "nay" to "yea" on **HB 910**. Agreed.

A Conference Committee Report was filed on **SB 167**.

A Free Conference Committee Report was filed on **SB 201**.

Representative Stumbo moved that no other business be conducted on this day other than receiving Senate Messages, Conference Committee Reports, and appointment of Free Conference Committee members to be the same as those on Conference Committees and adjournment. Agreed.

Representative Stumbo moved that when the House adjourns today, it do so by voice vote. Agreed.

Representative Stumbo moved that when the House adjourns, it do so until 10:00 a.m., Wednesday, March 30, 1988. Agreed.

Recess

Representative Stumbo moved that the House recess until 9:00 p.m. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Representative Stumbo moved that the Conference Committee Report on **SB 300** requesting a Free Conference be adopted. Agreed.

The Speaker announced the appointment of the previously appointed members of the Conference Committee to the Free Conference Committee on **SB 300**.

Representative Stumbo moved that the Conference Committee Report on **SB 324** requesting a Free Conference be adopted. Agreed.

The Speaker announced the appointment of the previously appointed members of the Conference Committee to the Free Conference Committee on **SB 324**.

Adjournment

Representative Stumbo moved that the House adjourn until 10:00 a.m., Wednesday, March 30, 1988.

The motion that the House adjourn until 10:00 a.m., Wednesday, March 30, 1988 was adopted by voice vote.

WEDNESDAY, MARCH 30, 1988

FIFTY-SIXTH LEGISLATIVE DAY

The House was called to order by Speaker Blandford.

Prayer by Dr. Billy Hurt, First Baptist Church, Frankfort.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All members present.

Representative McElroy moved that the reading of the Journal of March 29, 1988 be dispensed with and the same approved. Agreed.

A Free Conference Committee Report was filed on **SB 268**.

A Free Conference Committee Report was filed on **SB 300**.

Report on Enrolled Bills

The Committee on Enrollment reported **SB 42**, **SB 202** and **SB 249** had been examined and found correctly enrolled. Said Bills read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate. (Time - 10:04 a.m.)

Introduction of Resolutions

HR 211, by Representative Allen: A RESOLUTION congratulating the Ohio County High School Girls' Basketball Team upon its successful 1987-88 season.

HR 216, by Representative Mason: A RESOLUTION honoring Representative Sydney Adams.

HR 218, by Representatives Gray, R. Smith, Curd, A. Jones, Geveden, Ridley, Ballard, Morris, Bruce, J. Brown and Castleman: A RESOLUTION recognizing the importance of tourism to Kentucky.

HR 220, by Representatives R. Smith and Gray: A RESOLUTION requesting the Legislative Research Commission to study the need for outdoor advertising as it relates to the promotion of tourism in rural areas of the Commonwealth.

HR 221, by Representative Blevins: A RESOLUTION honoring Dr. Earl Lauder of Morehead State University.

HR 222, by Representative Bronger: A RESOLUTION honoring Junior Williamson.

Orders of the Day

Representative Bronger moved that the rules be suspended to act upon a Resolution. Agreed.

Representative Bronger moved the adoption of the following **HR 222**:

HR 222, A RESOLUTION honoring Junior Williamson.

WHEREAS, the distinguished retired manager of the Pikeville Panthers football team, Junior Williamson, has ably served this body as its 101st member; and

WHEREAS, Junior Williamson has long been a source of mirth and inspiration to his many friends

in the General Assembly; and

WHEREAS, Junior Williamson has so often been our confidant and our advisor;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House expresses its deep gratitude for the friendship and assistance of Junior Williamson.

Section 2. That when the House adjourns this day, Wednesday, March 30, 1988, it does so in honor of Junior Williamson.

Section 3. That a copy of this resolution be sent to Junior Williamson, c/o the House offices, Capitol Annex.

On the roll call the vote was: Yeas 100, Nays 0. (See March 30, 1988 roll call on **HR 222** - Appendix A.)

HR 222 was adopted and title agreed to.

Representative Mason moved that the rules be suspended to act upon a Resolution. Agreed.

Representative Mason moved the adoption of the following **HR 216**:

HR 216. A RESOLUTION honoring Representative Sidney Adams.

WHEREAS, Representative Sidney Adams, of Littcarr, Kentucky, is retiring from service in this honorable body; and

WHEREAS, Sidney Adams represented the people of the 92nd District with honor and dignity during the 1976 session and the present session; and

WHEREAS, Representative Adams was instrumental and active in the organization of the first Mountain Caucus; and

WHEREAS, every citizen of the coal-producing counties owes Representative Adams a debt of gratitude for his part in returning to them a share of severance tax dollars; and

WHEREAS, his current service includes membership in the House Education Committee, the Judicial/Criminal Committee, and the Natural Resources and the Environment Committee;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House salute Sidney Adams upon this occasion by adjourning in his honor today, March 30, 1988.

Section 2. That a copy of this resolution be sent to Representative Sidney Adams.

HR 216 was adopted by voice vote.

The following members requested that their names be added as Co-Sponsors of **HR 216**: Ackerson, Adams, Adkins, Allen, Altman, Ark, Arnold, Ballard, Barrows, Blandford, Blevins, Bronger, J. Brown, M. Brown,

Bruce, Burch, Callahan, Casebier, Castleman, L. Clark, P. Clark, Clarke, Cline, Crupper, Curd, Cyrus, Deskins, Donnermeyer, Farrow, Ford, Freibert, Gedling, Geveden, Gray, Gregory, Guenther, Hancock, Handy, J. Harper, K. Harper, Hatcher, Heleringer, Hoover, Hourigan, Jackson, Johnson, A. Jones, R. Jones, T. Jones, Keith, Kerr, Layman, Lear, Lefevers, LeMaster, Lile, Little, Long, Lundergan, Lyne, Mack, Maggard, Mason, McBee, McElroy, Meyer, Moberly, Morris, Napier, Nett, Noe, Noland, Northup, O'Brien, Overstreet, Preston, Priddy, Pritchett, Rapier, Reinhardt, Richards, B. Richardson, P. Richardson, Ridley, Riner, Robinson, Scorsone, Seum, Siler, B. Smith, R. Smith, Strong, Stumbo, Todd, Turner, Walker, White, Will, Worthington, Yates.

Representative Gray moved that the rules be suspended to act upon a Resolution. Agreed.

Representative Gray moved the adoption of the following **HR 218**:

HR 218. A RESOLUTION recognizing the importance of tourism to Kentucky.

WHEREAS, tourism is a major industry in Kentucky, bringing in millions of dollars each year into our economy; and

WHEREAS, Kentucky is reputed to have one of the best state park systems in the United States; and

WHEREAS, this reputation brings travelers and visitors from near and far to see the sights and enjoy the countryside and natural beauty of our Commonwealth; and

WHEREAS, Kentucky Lake, Lake Barkley and the Land Between the Lakes are a major attraction in Western Kentucky; and

WHEREAS, these tourist spots are a long way from Frankfort;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Secretary of Tourism is encouraged to establish a tourism office in Western Kentucky to better serve and inform tourists in this important area.

Section 2. That a copy of this resolution be sent to the Secretary of Tourism and the Secretary of the Cabinet.

HR 218 was adopted by voice vote.

SB 201 taken from Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

Representative Deskins moved the adoption of the following Free Conference Committee Report on **SB 201**. Agreed.

The free conference committee has met as provided in the rules of the House and Senate and hereby reports the following to be adopted:

GA Copy of **SB 201** with the following changes:

Adopt HFA 1, with the following change: on page 1 of HFA 1, line 11 by deleting "or a county" and by adding in lieu thereof "or a gas distribution company owned and operated by a county".

Direct the clerk, on enrollment, to make appropriate section number changes to conform with this report.

Signed by: Sen. W. Quinlan, Sen. Ed O'Daniel; Rep. Herbie Deskins, Jr., Rocky Adkins.

The above-named members, in separate votes by house, all concur in the provisions of this report.

Representative Deskins moved that **SB 201**, as amended by the Free Conference Committee Report, be passed.

On the roll call the vote was: Yeas 84, Nays 0. (See March 30, 1988 roll call on **SB 201** - Appendix A.)

SB 201, as amended by the Free Conference Committee Report, was passed and the title agreed to.

Representative Deskins moved that the vote by which **SB 201**, as amended by the Free Conference Committee Report, was passed be reconsidered and said motion be placed on the table. Agreed.

HB 12 taken from Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

Representative McElroy moved the adoption of the following Conference Committee Report on **HB 12**. Agreed.

The Conference Committee has met as provided in the rules of the House and Senate and hereby reports the following to be adopted:

Senate Committee Substitute to **HB 12**.

Signed by: Sen. Ed Ford, Sen. Ed O'Daniel, Sen. Jack Trevey; Rep. Sam McElroy, Rep. Louis Johnson.

Representative McElroy moved that **HB 12**, as amended by the Conference Committee Report, be passed.

On the roll call the vote was: Yeas 81, Nays 4. (See March 30, 1988 roll call on **HB 12** - Appendix A.)

HB 12, as amended by the Conference Committee Report, was passed and the title agreed to.

Representative McElroy moved that the vote by which **HB 12**, as amended by the Conference Committee Report, was passed be reconsidered and said motion be placed on the table. Agreed.

SB 167 taken from Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

Representative Farrow moved the adoption of the following Conference Committee Report on **SB 167**. Agreed.

The conference committee has met as provided in the rules of the House and Senate and hereby reports the following to be adopted:

SB 167 with unanimous consent to recede from House Floor Amendment No. 1 and House Floor Amendment No. 2.

Signed by: Sen. David LeMaster, Sen. Louis Peniston, Sen. John Rogers; Rep. Jon Ackerson, Rep. William Donnermeyer, Rep. Mark Farrow.

Representative Farrow moved that **SB 167**, as amended by the Conference Committee Report, be passed.

On the roll call the vote was: Yeas 84, Nays 2. (See March 30, 1988 roll call on **SB 167** - Appendix A.)

SB 167, as amended by the Conference Committee Report, was passed and the title agreed to.

Representative Farrow moved that the vote by which **SB 167**, as amended by the Free Conference Committee Report, was passed be reconsidered and said motion be placed on the table. Agreed.

Representative Stumbo moved that the rules be suspended to consider **SB 268**. Agreed.

SB 268 taken from Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

Representative Lear moved the adoption of the following Free Conference Committee Report on **SB 268**. Agreed.

The free conference committee has met as provided in the rules of the House and Senate and hereby reports the following to be adopted:

GA Copy of **SB 268** with the following changes:

On page 1, line 1. by deleting "Section 1." and by inserting in lieu thereof the following:

"SECTION 1. A NEW SECTION OF KRS CHAPTER 15 IS CREATED TO READ AS FOLLOWS:

The attorney general shall possess jurisdiction, concurrent with that of county and Commonwealth's attorneys, to investigate and prosecute violations of the election laws. The attorney general, county and Commonwealth's attorneys shall notify the registry of election finance of any investigation or prosecution of alleged election law violations.

SECTION 2. A NEW SECTION OF KRS CHAPTER 15 IS CREATED TO READ AS FOLLOWS:

(1) *In addition to the other duties and powers of the attorney general, he shall enforce all of the state's election laws by civil or criminal processes.*

(2) *The attorney general shall:*

(a) *Devise and administer programs to observe the conduct of elections;*

(b) *Hold public hearings;*

(c) *Establish a toll-free telephone service for the purpose of receiving reports of election law violations. The service shall be operated during regular business hours throughout the year and during the hours which any poll in the state is open on the day of any primary, special election or regular election;*

(d) *Initiate investigations or investigate alleged violations of election laws at the request of a registered voter or on his own motion;*

(e) *Issue subpoenas for the production of any books, papers, correspondence, memoranda or other records, and compel the attendance of witnesses that he deems relevant to the purposes of any investigation;*

(f) *Present evidence of alleged violations to a grand jury; and*

(g) *File appropriate complaints in any court of competent jurisdiction.*

(3) (a) *The attorney general shall be required to begin an independent inquiry for any potential irregularities that may have occurred of each election in not fewer than five percent (5%) of Kentucky's counties, to be selected at random in a public process, within twenty (20) days following each primary or regular election.*

(b) *The attorney general shall report its findings to the grand jury of each county involved and to the chief circuit judge for the circuit in which the county is located.*

(4) *When the registry of election finance concludes there is probable cause to believe a violation of election laws has occurred, it shall forward the matter to the attorney general for prosecution. In the event the attorney general or local prosecutor fails to prosecute the matter in a timely fashion the registry's attorney may petition the circuit court to be appointed special prosecutor. Upon such motion timely filed, for good cause shown, the court shall enter an order to that effect.*

(5) *When requested by the attorney general, all state and local agencies and officials, including the auditor of public accounts, commonwealth's attorneys, county attorneys, registry of election finance, state police, sheriffs' departments and local police, shall give all possible assistance to the attorney general in the performance of his duties.*

SECTION 3. A NEW SECTION OF KRS CHAPTER 27A IS CREATED TO READ AS FOLLOWS:

The administrative office of the courts shall send certified notices of conviction of a felony to the state board of elections within ten (10) days after the conviction becomes final, including the exhaustion of all appeals, with regard to any person before the courts of the Commonwealth.

SECTION 4. A NEW SECTION OF KRS CHAPTER 30A IS CREATED TO READ AS FOLLOWS:

Each circuit clerk shall send certified notices of incompetency to the state board of elections within ten (10) days after the determination has become final with regard to any person before the courts of the county.

SECTION 5. A NEW SECTION OF KRS CHAPTER 116 IS CREATED TO READ AS FOLLOWS:

(1) *The county clerk shall provide voter registration forms to each principal or assistant principal of every public high school, each area vocational school, and upon request, private schools; who shall designate a person in each school who shall be responsible for informing students and school personnel of the availability of the registration forms and assist them in properly registering with the party of their choice. The completed forms shall be returned to the county clerk, for official registration by the county clerk.*

(2) *The state board of elections shall provide for the conspicuous placement of signs at all precinct polling places, which shall state that vote buying and selling are illegal and shall state the penalties for such acts.*

(3) *The state board of elections shall publish and broadcast announcements throughout the state regarding the importance of voting in a free and conscientious manner, procedures for registering to vote and voting, general election laws, and penalties for vote buying and selling.*

SECTION 6. A NEW SECTION OF KRS CHAPTER 116 IS CREATED TO READ AS FOLLOWS:

The state board of education shall implement programs of public education regarding elections, voting procedures, and election fraud, which shall include an audio-visual presentation for high school juniors and seniors. The state board of education, after consultation with the state board of elections, shall update the public education programs required by this section as relevant statutory changes occur, as different types of voting machines are used, or as more effective methods of presentation shall be developed.

SECTION 7. A NEW SECTION OF KRS CHAPTER 116 IS CREATED TO READ AS FOLLOWS:

(1) *The state board of elections shall establish by regulation a schedule to conduct a purge of ineligible and deceased voters in every even-numbered year beginning with the fiscal year which begins July 1, 1990. The purge shall be conducted as set forth in this section.*

(2) *The state board of elections shall send to each registered voter, by first class mail, a notice of voter registration. The notice shall contain:*

(a) *The name of the voter;*

(b) *The voter's precinct; and*

(c) *The location of the voter's polling place.*

(3) *The notice shall provide that it is not forwardable and shall be returned to the state board of elections if undeliverable.*

(4) *If the notice is returned by the postal service with information that the voter has moved or may otherwise be ineligible to vote, the state board of elections shall forthwith mail to the voter who has moved a notice of intention to remove the voter's name from the voter registration list. This notice shall be forwardable.*

(5) *If the voter notifies the state board of elections prior to the election that he remains eligible to vote within the county, his name shall not be removed from the voter registration list. However, if no satisfactory explanation is obtained, the voter's name shall be removed from the voter registration roll.*

SECTION 8. A NEW SECTION OF KRS CHAPTER 116 IS CREATED TO READ AS FOLLOWS:

(1) *Upon receipt of notification from the cabinet for human resources of the death of a person, the state board of elections shall within five (5) days cause the removal of the name of that person from the voter registration records maintained by him.*

(2) *Upon receipt of notification from the circuit clerk that a person has been declared incompetent, the state board of elections shall within five (5) days cause the removal of the name of that person from the voter registration records maintained by him.*

(3) *Upon receipt from the administrative office of the courts that a person has been convicted of a felony offense, the state board of elections shall within five (5) days cause the removal of the name of that person from the voter registration records maintained by him.*

(4) *Following the purge of a name from the records of the state board of elections, the state board of elections shall notify the clerk of the county in which the voter lived of the action; and the county clerk shall within ten (10) days, update the county voter registration files to reflect the necessary change. If a protest is filed by the voter, the county board shall hear it at its next regular monthly meeting. If the county board decides in favor of the protesting voter, his name shall not be purged, and the state board shall be notified of the action.*

SECTION 9. A NEW SECTION OF KRS CHAPTER 116 IS CREATED TO READ AS FOLLOWS:

Election officers shall confirm the identity of each voter by personal acquaintance or by a document, such as a motor vehicle operator's license, social security card, or credit card. If the voter has no identification in his possession, the election officer shall require the voter to complete the affidavit which is required to be completed by a voter whose right to vote is challenged. The election officer confirming the identity shall sign the precinct voter roster and list the method of identification.

SECTION 10. A NEW SECTION OF KRS CHAPTER 116 IS CREATED TO READ AS FOLLOWS:

The county clerk may request reimbursement from the state board of elections, for the cost of employing office personnel necessary for the conduct of elections, including the registration and purgation of voters in the county. Such reimbursement shall not exceed fifty cents (50) per registered voter in the county per year. Claims for reimbursement shall be submitted to the state board by July 31 of each year for employment costs for the preceding fiscal year. Claims shall be on forms provided by the state board of elections and shall show in detail the employe time and costs. If the state board of elections determines that the claims are valid and reasonable, the state board shall submit the claims to the treasury for payment and they shall be paid within thirty (30) working days. The state board may issue regulations prescribing the method and forms for documenting and submitting the claims.

SECTION 11. A NEW SECTION OF KRS CHAPTER 117 IS CREATED TO READ AS FOLLOWS:

(1) *Within three (3) days after any primary or general election, the precinct election sheriff shall file a report with the chairman of the county board of elections and with the local grand jury. The report shall include any irregularities observed and any recommendations for improving the election process.*

(2) *Within ten (10) days after any primary or general election, the county board of elections shall file a report with the state board of elections, the registry of election finance and the local grand jury. The report shall include any irregularities of which the county board has knowledge and any recommendations for improving the election process. The report shall also include a precinct-by-precinct breakdown of the number of voters requiring assistance to vote and the reasons therefor; the number of special ballots cast by category; and any other information required by the state board.*

(3) *The state board of elections shall issue administrative regulations to prescribe the forms required by this section.*

SECTION 12. A NEW SECTION OF KRS CHAPTER 117 IS CREATED TO READ AS FOLLOWS:

(1) *The state board of elections shall regularly provide special training regarding the election laws and methods of enforcement to all county clerks, sheriffs, county attorneys, Commonwealth's attorneys and certain members of the Kentucky state police.*

(2) *The county board of elections shall provide special training to all election officers and alternates regarding their duties and the penalties for failure to perform. Election officers, including alternates, shall attend the training session, unless excused by the county board of elections for reason of illness or other emergency. Any person who fails to attend a training session without being excused shall be prohibited from serving as an election officer for a period of five (5) years.*

(3) *The county attorney shall attend the training session for election officers to assist in explaining the duties and penalties for failure to perform.*

(4) *Compensation in the minimum amount of five dollars (\$5) for reimbursement of actual expenses shall be paid by the county to the election officers for attending the training session.*

SECTION 13. A NEW SECTION OF KRS CHAPTER 117 IS CREATED TO READ AS FOLLOWS:

Upon the first day a grand jury convenes after a primary, general election or special election, the county clerk shall present to the grand jury all voter assistance forms and all applications for special ballots which shall have been completed in the immediately preceding primary, general election or special election.

SECTION 14. A NEW SECTION OF KRS CHAPTER 117 IS CREATED TO READ AS FOLLOWS:

(1) *Except for those voters who have been certified as requiring assistance in voting on a permanent basis, any person voting by means of a special ballot as provided in this chapter who receives assistance in voting shall be required to complete the voter assistance form required by KRS 117.255.*

(2) *Any person who assists another person in voting by use of a special ballot shall complete the voter assistance form required by KRS 117.255.*

(3) *The detachable flap on all special ballots shall have printed upon it the voter assistance form required by KRS 117.255, as well as a notice of the penalty for failure to complete the form.*

(4) *The state board of elections shall promulgate a voter assistance form which shall be in a form acceptable to the attorney general.*

SECTION 15. A NEW SECTION OF KRS CHAPTER 117 IS CREATED TO READ AS FOLLOWS:

Any person who aids another in completing a special ballot shall not solicit or encourage that person to vote for or against any candidate, party, or issue.

SECTION 16. A NEW SECTION OF KRS CHAPTER 117 IS CREATED TO READ AS FOLLOWS:

The state board of elections shall promulgate administrative regulations and procedures necessary to:

- (1) *Designate which election records and materials shall be retained;*
- (2) *Establish the manner in which the records and materials shall be maintained;*
- (3) *Establish by whom the records shall be maintained; and*
- (4) *Establish the period of time the records shall be retained, but such records shall be retained for not less than twenty-two (22) months.*

SECTION 17. A NEW SECTION OF KRS CHAPTER 119 IS CREATED TO READ AS FOLLOWS:

Any person who shall have been convicted of any election law offense which is a Class A misdemeanor shall not be permitted to hold elective office for a period of five (5) years following the conviction. Any person who shall have been convicted of any election law offense which is a felony shall not be permitted to hold elective office until his civil rights have been restored by executive pardon.

SECTION 18. A NEW SECTION OF KRS 119.305 TO 119.325 IS CREATED TO READ AS FOLLOWS:

The county board of elections shall present to the grand jury next convening subsequent to each election the names of those election officials who failed to appear and serve at the election and who had not been properly excused. Any such person may be subpoenaed and inquiry made of his absence, and if no good cause be shown, he shall be subject to prosecution.

SECTION 19. A NEW SECTION OF KRS CHAPTER 452 IS CREATED TO READ AS FOLLOWS:

Franklin circuit court shall be a proper venue for all cases involving violations of campaign finance laws in which reports are required to be filed in Frankfort.

Section 20. KRS 116.025 is amended to read as follows:

(1) Every person, male or female, who is a resident of this state and has resided in the precinct in which he offers to vote thirty (30) days next preceding the day of any regular or special election, who possesses on the day of any election the qualifications set forth in Section 145 of the Constitution, exclusive of the durational residency requirements, who is not disqualified under that section or under any other statute, and who is registered as provided in this chapter, may vote for all officers to be elected by the people and on all public questions submitted for determination at that election, in the precinct in which he is qualified to vote. *Any person who shall have been convicted of any election law offense which is a felony shall not be permitted to vote until his civil rights have been restored by executive pardon.*

(2) Persons charged with or indicted for a crime, whether or not in custody for same, who have not yet been convicted of the said offense and who are not otherwise ineligible to vote, may vote for all offices to be elected by the people and on all public questions submitted for determination at that election, in the precinct in which he is qualified to vote.

(3) A registered voter who moves less than thirty (30) days before an election and is not permitted to register at his new residence may vote at his former residence either in person or by absentee vote.

Section 21. KRS 116.045 is amended to read as follows:

(1) Any person may register as a voter during the period registration is open if he possesses, or will possess on the day of the next regular election, the qualifications set forth in KRS 116.025.

(2) Except during implementation of the initial statewide registration, the county board of elections shall cause all registration to be closed the thirty (30) days prior to, and the five (5) days following, any primary or general election, and the ten (10) days prior to any special election. No voter shall be registered or be permitted to change his registration during the period that the registration is closed; except that, registration shall be closed only in those precincts in which the election is held.

(3) In all counties the county clerk~~;~~ ~~when authorized by the county board,~~ shall receive registration, transfers, or change of party affiliation at branch offices at any place in the county during those periods that the registration books are open. However, notice in the manner provided by KRS Chapter 424 must be given at least three (3), but not more than fourteen (14), days in advance of the time and place of any branch registration, and ten (10) days' written notice must be given to the county executive committee of each major political party in the county in which the branch registration is to be held.

(4) Any person may register to vote or may change his party affiliation in any of the following ways:

(a) In person:

(b) By mail:

(c) By means of the federal post card application, if the person is a resident of Kentucky and a member of the armed forces, or a dependent of members of the armed forces; or

(d) By such other methods of registration, or reregistration, as approved by the state board of elections, including the use of voluntary interested groups and political parties, under the proper supervision and directions of the county board of elections, which may include door to door canvassing.

(5) Upon receipt of the form prescribed by the state board of elections, properly filled out and signed by the applicant, the county clerk shall register the applicant.

(6) Any individual or group shall have access to a reasonable number of voter registration forms in the county clerk's office. Such individual or group shall return these completed forms to the county clerk for official registration by the county clerk.

~~[(7) The county clerk shall provide voter registration forms to each principal or assistant principal of every public high school, each area vocational school, and upon request, private schools, who shall designate a person in each school who shall be responsible for informing students and school personnel of the availability of the registration forms and assist them in registering with the party of their choice. The completed forms shall be returned to the county clerk for official registration by the county clerk.]~~

Section 22. KRS 116.055 is amended to read as follows:

(1) Before a person shall be qualified to vote in a primary election, he *shall* ~~[must]~~ possess all the qualifications required of voters in a regular election. In addition, he *shall* ~~[must]~~ be a registered member of the party in whose primary election he seeks to vote, and *shall* ~~[must]~~ have been registered as a member of that party at the time of the preceding regular election, or, in the case of new registrations not involving a change of political affiliation made after the preceding regular election, have registered and remained registered as a member of that party. No person shall be allowed to vote for any party candidates other than that of the party of which he is a registered member. The qualifications shall be determined as of the date of the primary, without regard to the qualifications or disqualifications as they may exist at the succeeding regular election, except that minors who will become eighteen (18) years of age on or before the day of the regular election shall be entitled to vote in the primary if otherwise qualified. However, any registered voter, whether registered as a member of a party or as an independent, shall be qualified to vote in primary elections for candidates listed in *all* nonpartisan races ~~[and offices of the Court of Justice]~~.

(2) In order to determine a voter's qualifications in case of doubt, one (1) of the judges of election shall swear the person as to any of the qualifications, and when so sworn the clerk shall write upon the voter's registration card the words, "sworn as to qualification."

Section 23. KRS 116.125 is amended to read as follows:

(1) *In addition to the biennial purge required by Section 7 of this Act,* the county board of elections may, upon information known to it or furnished to it by any citizen, delete from the county register the name of any voter who is no longer properly registered and notify the voter by mail of its action. ~~[The county board of elections shall delete from the county register the name of any voter who is included in the data on deceased Kentucky residents furnished by the cabinet for human resources to the county clerk.]~~ If no protest is filed by the voter within thirty (30) days, his name shall be purged. If protest is filed, the county

board shall hear the matter at its next regular monthly meeting and either retain or purge the voter's name. If any name is purged, the county board shall inform the state board of its action.

(2) If the name of any voter is purged from the county register as provided by subsection (1) of this section at such time that the registration period is closed for a particular election, and if the voter contends that actual notice of the deletion of his name from the register was not received, such voter shall be allowed to vote as provided by KRS 117.245.

Section 24. KRS 117.015 is amended to read as follows:

(1) There shall be a state board of elections which shall administer the election laws of the state and supervise registration and purgation of voters within the state. The board may adopt rules and regulations necessary to properly carry out its duties.

(2) The board shall consist of the secretary of state and six (6) members to be appointed as provided in this subsection. The members shall serve for a term of four (4) years or until their successors are appointed. Members shall be at least twenty-five (25) years of age and qualified voters of this state. No appointed member shall be a candidate for public office, ~~[or]~~ have been a candidate for public office for two (2) years prior to his appointment *or have been convicted of any election law offense*. Two (2) members shall be appointed by each of the following officers: the governor, the president pro tem of the senate, and the speaker of the house. Such appointments shall be made by each officer from a separate list of at least five (5) names submitted by the state central executive committee of each of the two (2) political parties that polled the largest vote in the last preceding election for state officials. The list shall be submitted to the governor by February 15 in the year following the inauguration of the governor, and the appointments of the governor shall be made by April 15 of the same year. The separate lists shall be submitted to the president pro tem of the senate and the speaker of the house by August 15 of 1982 and every four (4) years thereafter, and appointments shall be made from these lists by September 15 of each year in which the lists are received. Vacancies shall be filled in the same manner as provided for original appointments, and the person appointed to fill the vacancy shall be of the same political party as his predecessor.

(3) The board shall meet as often as necessary to carry out its duties and shall keep a record of its acts, orders, findings and proceedings. A majority of the board shall constitute a quorum. The secretary of state shall preside at the meetings and may vote.

(4) The members of the board shall be paid a reasonable sum to be fixed by the commissioner of personnel, with the approval of the secretary of the finance and administration cabinet, and in addition, their expenses in attending board meetings. The compensation shall be paid out of the state treasury upon requisition signed by the chairman of the board and approved by the secretary of the finance and administration cabinet.

Section 25.": and

On page 2, line 6, after "appointed," by placing brackets around and strikes through "and"; and

On page 2, line 7, after "elections" by inserting "*and shall not have been convicted of any election law offense*"; and

On page 3, line 21, after "Section" by deleting "2" and inserting in lieu thereof "26"; and

On page 4, line 2, after "242." by inserting "(2)"; and

On page 4, line 15, after "lists." by inserting "*The lists shall contain the full name, address, phone number and social security number, if available, of each person listed. The lists shall be accompanied by a signed statement from each person stating that he is willing to serve, has not failed to serve without excuse in the past, and has not been convicted of an election law offense. The state board of elections shall prescribe by administrative regulation the form of the list.*"

(3) The attorney general shall notify each county political party chairman of the duties of the party.

(4)"; and

On page 4, line 19, after "submitted" by inserting *"the two (2) members of the county board of elections who are appointed by the state board of elections may submit lists, and the county board shall select the sheriff and one (1) judge from one (1) list and the clerk and the other judge from the remaining list. If no lists are submitted, the county board shall select the sheriff and one (1) judge from the membership of one (1) party and the clerk and the other judge from the membership of the remaining party."*

(5)": and

On page 4, line 19, after "submitted" by placing a bracket before "," and on line 24 by placing a bracket after "election." and placing strikes through therein; and

On page 5, after line 3, by inserting

"(6) The state board of elections may require the county board of elections to submit its list of precinct officers for review. The state board of elections may, after a hearing, direct the removal of any election officer who the state board finds, based upon clear and convincing evidence, would not fairly administer the state election laws. The state board shall replace any officer so removed. The board shall provide for the method and manner of hearing by administrative regulation."; and

On page 5, line 4, before "(2)" by inserting "(7)" and by bracketing and striking through "(2)"; and

On page 5, line 16, before "(3)" by inserting "(8)" and by bracketing and striking through "(3)"; and

On page 5, line 17, after "officer" by inserting "is not present at the precinct at"; and

On page 5, line 17, after "officer" by placing a bracket before "fails" and on line 18 by placing a bracket after "after" and placing strikethrough therein; and

On page 5, line 19, after "act," by inserting "and if no alternate is available,"; and

On page 5, line 26, before "(4)" by inserting "(9)" and by bracketing and striking through "(4)"; and

On page 6, by deleting lines 12 through 26 in their entirety and by inserting in lieu thereof the following:

"Section 27. KRS 117.085 is amended to read as follows:

(1) All requests for an application for a special ballot and all applications for a special ballot shall be transmitted only by mail or in person as specifically provided by this section. *Except for qualified voters who apply pursuant to the requirements of KRS 117.075 and 117.077 and those who are incarcerated in jail but have yet to be convicted, no special ballots shall be mailed to an address within the county except to those voters who regularly work outside the county during all hours the office of the county clerk is open.* The county clerk shall provide, but only by the method provided by this section, a special ballot, two (2) official envelopes for returning the ballot, and instructions for voting to a voter who presents a completed application for a special ballot as provided in this section and who is properly registered as stated in his application. Application for a special ballot shall be made as follows:

(a) Any qualified voter in any county who shall be absent from the county on any election day or any person incarcerated in jail who has been charged for a crime but has yet to be convicted of the said crime may, at any time not less than seven (7) days before the election, make application in person or by mail to the county clerk for a special ballot. A single application shall entitle a voter who qualifies to receive two (2) ballots, as provided by this section, to receive both such ballots. All requests for an application for a special ballot and all applications for a special ballot shall be made in person or by mail, at the option of the voter, except that the county clerk shall hand an application for a special ballot to the voter who appears in person to request such application, or shall mail such application to a voter who requests such application by mail. Such application shall be restricted to use of the voter or the spouse, parents or dependent children of the voter; and

(b) Residents of Kentucky, who are members of the armed forces, or dependents of members of the armed forces, may apply for an absentee ballot by means of the federal post-card application. Such applications

may be used to register, re-register and to apply for an absentee ballot. If the federal post-card application is received at any time not less than seven (7) days before the election, the county clerk shall affix his seal to such application form upon receipt.

(2) The clerk shall type the name of the voter on the application form for that person's use and no other. The application form shall be in the form prescribed by the state board of elections, shall bear the seal of the county clerk and shall contain the following information: name, residential address, precinct, party affiliation, statement of absence on election day, statement of where the voter shall be on election day, statement of compliance with residency requirements for voting in said precinct and the voter's mailing address for a special ballot. The form shall be verified and signed by the voter. A notice of the actual penalty provisions in KRS 117.995(2) and (4) shall be printed on the application.

(3) If the county clerk finds that the voter is properly registered as stated in his application, he shall mail to the voter a special ballot, two (2) official envelopes for returning the ballot, and instructions for voting:

(a) Except as otherwise provided by this subsection, special ballots which are requested prior to the printing of such ballots shall be mailed by the county clerk to the voter within three (3) days of the receipt of such ballots; and special ballots which are requested subsequent to the receipt of such ballots by the county clerk shall be mailed to the voter within three (3) days of the receipt of such request;

(b) At any general election at which names of candidates to federal office shall appear on the ballot, certain voters shall be mailed only one (1) ballot, which shall include the names of all candidates for which such voters are entitled to vote. Voters to receive only one (1) ballot shall be those voters who shall be:

1. Outside the fifty (50) states on the day of the election but whose request for a special ballot shall be received subsequent to the printing of the ballot containing the names of all candidates for which such voters are entitled to vote; and

2. Within the fifty (50) states on the day of the election; and

(c) At any general election for which separate ballots shall be printed for candidates for election to federal office, voters who shall be outside the fifty (50) states on the day of the election and who request a special ballot prior to the printing of the ballot containing the names of candidates exclusive of candidates to federal office, shall receive two (2) ballots. The first ballot shall contain the names of candidates to federal office, and the second shall contain the names of all candidates for which the voter is entitled to vote, exclusive of candidates to federal offices.

(4) The clerk shall cause ballots to be printed for each primary or general election:

(a) Each primary, fifty (50) days prior to the primary;

(b) Each general election:

1. Names of candidates to federal office and no others, fifty (50) days prior to the election;

2. Names of the remaining candidates, thirty-eight (38) days prior to the election; and

3. Names of all candidates, thirty-eight (38) days prior to the election.

(5) The outer envelope shall bear the words "Special Ballot" and the address and official title of the county clerk and shall provide space for the voter's signature, voting address and precinct number. A detachable flap on the inner envelope shall provide space for the voter's signature, voting address, precinct number and notice of penalty provided in KRS 117.995(4). The clerk shall type the voter's address and precinct number in the upper left hand corner of the outer envelope and of the detachable flap on the inner envelope immediately below the blank space for the voter's signature. The inner envelope shall be blank. The clerk shall retain the application for twenty-two (22) months after the election.

(6) A list of persons to whom special ballots are mailed shall be posted in the clerk's office, for public inspection, and a list shall be included in the supplies sent to each precinct on election day and shall be

posted at the polling place throughout the voting hours on election day.

(7) Any person who has received ~~been mailed~~ a special ballot but who knows at least seven (7) days before the date of the election that he shall be in the county ~~[his voting precinct]~~ on election day and who has not voted pursuant to the provisions of KRS 117.086 shall ~~[may]~~ cancel his special ballot and vote in person. He shall return his special ballot to the county clerk's office no later than seven (7) days prior to the date of the election ~~[if he appears at the county clerk's office at least seven (7) days prior to election day and returns his special ballot]~~. Upon the return of the special ballot ~~[such personal appearance of the voter]~~, the clerk shall mark on the outer envelope of the sealed ballot or the unmarked ballot the words "Cancelled because voter appeared to vote in person." Sealed envelopes so marked shall not be opened. The clerk shall remove the voter's name from the list of persons who were sent special ballots, and the voter may vote in the precinct in which he is properly registered.

Section 28. KRS 117.086 is amended to read as follows:

(1) The voter utilizing a special ballot shall mark his ballot, seal it in the inner envelope and then in the outer envelope and mail it to the county clerk as shall be provided by this chapter. The voter shall sign the detachable flap and the outer envelope in order to validate the ballot. In order to be counted, the ballots shall be received by the clerk by at least the time established by the election laws generally for the closing of the polls, which time shall not include the extra hour during which those voters may vote who were waiting in line to vote at the scheduled poll closing time.

(2) Any voter who shall be absent from the county on election day, but who does not qualify to receive a special ballot by mail under the provisions of KRS 117.085, may execute a special ballot at the main office of the county clerk prior to the day of election. The county clerk shall designate a location within his office where the ballots shall be cast secretly. In counties containing a city of the first or second class, the county clerk may establish locations other than his main office in which such voters may execute special ballots, provided that public notice of the locations is given pursuant to KRS Chapter 424 and that similar notice by mail is given to the county chairmen of the two (2) political parties whose candidates polled the largest number of votes in the county at the last general election.

~~(3) The state board of elections shall issue administrative regulations to provide for casting ballots as provided in subsection (2) of this section.~~

(4) The clerk shall deposit all of the returned ballots in a locked ballot box immediately upon receipt without opening the outer envelope. The ballot box shall be locked with three (3) locks. The keys to the box shall be retained by the three (3) members of the central special ballot counting board, if one is appointed, or by the members of the board of elections, and the box shall remain locked until the ballots are counted.

~~(5)(3)~~ The clerk shall keep a list of all persons who return their voted ballots, and send a copy of that list to the state board after election day. The county clerk and the secretary of state shall keep a record of the number of special ballots cast in any election as a part of the official returns of the election.

Section 29. KRS 117.087 is amended to read as follows:

(1) The challenge of a special ballot must be in writing and in the hands of the county clerk before 3:00 p.m. on election day.

(2) The county board of elections shall count the special ballots. The board may appoint a central special ballot counting board of not less than three (3) members, who shall be qualified voters and no more than two-thirds (2/3) of whom shall be members of the same political party, to count the ballots at the direction of the county board of elections.

(3) Beginning at 3:00 p.m. on election day the board may meet at the clerk's office to count the special ballots. Candidates or their representatives shall be permitted to be present. The county board of elections shall authorize representatives of the news media to observe the counting of special ballots. The board shall open the boxes containing special ballots and remove the envelopes one (1) at a time. As each envelope is removed, it shall be examined to ascertain whether the outer envelope and the detachable flap are in proper order and have been signed by the voter. All unsigned special ballots shall be rejected automatically. The chairman of the county board of elections shall compare the signatures on the outer envelope and the detachable flap with the signature of the voter that appears on the registration card. If the outer envelope and the detachable

flap are found to be in order the chairman shall read aloud the name of the voter. If the vote of such voter is not rejected on a challenge then made as provided in subsection (4) of this section, the chairman shall then remove the detachable flap and place the inner envelope unopened in a ballot box which has been provided for the purpose.

(4) When the name of a voter is read aloud by the chairman, the vote of such voter may be challenged by any board member or by the written challenge provided in subsection (1) of this section and the challenge thereto may be determined and the vote accepted or rejected by the board as if the voter was present and voting in person, but if the outer envelope and the detachable flap are regular, and substantially comply with the provisions of this chapter, they shall be considered as showing that the voter is prima facie entitled to vote. If the vote of a voter is rejected pursuant to the challenge, the outer envelope shall not be opened, and the chairman shall write on the envelope the word "rejected".

(5) After the challenges have been made and all the blank inner envelopes have been placed in a ballot box, the box shall be thoroughly shaken so as to redistribute the ballots in the box. The board shall then open the ballot box, remove the special ballots from the inner envelopes, count and record the special ballot votes on a form provided by the state board.

(6) ~~Except as otherwise required by this chapter that certain records and papers relative to specified elections be retained for twenty-two (22) months, the county clerk shall retain the ballots, detachable flaps and the outer envelopes for thirty (30) days, at which time they shall be destroyed in such a manner as to render them unreadable by the county board of elections. If a contest or recount proceeding is instituted during said thirty (30) day period, the ballots shall not be destroyed but shall be disposed of as directed by the court in which such proceeding was instituted.~~

~~(7)~~ The county board of elections shall make public the special ballot results after 6:00 p.m.; and

Section 30. KRS 117.235 is amended to read as follows:

(1) No person, other than the election officers and challengers, shall be permitted within the voting room while the vote is being polled, except for the purpose of voting or except by authority of the election officers to keep order and enforce the law.

(2) No officer of election shall do any electioneering on election day.

(3) No person shall do any electioneering *or exit polling* at the polling place or within a distance of *five hundred (500) feet* ~~fifty (50) foot perimeter~~ of any entrance to a building in which a voting machine is located if that entrance is unlocked and is used by voters ~~[the voting machine]~~ on election day unless the fiscal court or legislative body of an urban-county government specifically authorizes by ordinance on a county wide basis a greater distance from the polling place within which electioneering may be permitted, but in no case shall electioneering *or exit polling* be allowed within *five hundred (500) feet* ~~a fifty (50) foot perimeter~~ of any entrance to a building in which a voting machine is located if that entrance is unlocked and is used by voters ~~[the voting machine]~~. Electioneering shall include the displaying of signs, the distribution of campaign literature, cards or handbills, the soliciting of signatures to any petition, or the solicitation of votes for or against any candidate or question on the ballot in any manner, *but shall not include exit polling. Any person conducting exit polls on election day shall register with the county clerk not less than seven (7) days before the day of the election. The clerk shall give the exit poller a document showing that he has registered, and the exit poller shall carry that document with him at the polls on election day.*

(4) *Nothing contained in this section shall prohibit electioneering conducted within a private residence or establishment other than that in which the polling place is located by persons having an ownership interest in such property.*

~~(5)~~ ~~(4)~~ No voter shall be permitted to converse with others while in the voting room concerning their support or nonsupport of any candidate, party or issue to be voted on, except as provided in KRS 117.255.

~~(6)~~ ~~(5)~~ The election sheriff, under the supervision of the precinct election judges, shall *enforce the election laws and maintain law and order at the polls and within fifty (50) feet* ~~a fifty (50) foot perimeter~~ of any entrance to the building in which the voting machine is located if that entrance is unlocked and is used by voters ~~[voting machine]~~. Assistance may be requested of any law enforcement officer.

Section 31. KRS 117.237 is amended to read as follows:

(1) A county board of elections, a clerk, judge/executive, sheriff, fiscal court, the attorney general, grand jury or the county chairman of either of the two (2) political parties which polled the largest vote in the preceding general election may request that the Kentucky state police patrol voting precincts in the county during the hours the polls are open on the day of any primary or regular or special election for the purpose of maintaining order and enforcing the election laws of the state. The state police shall investigate any reported violations of the election laws. Candidates may petition any of the aforementioned officers or bodies to request state police patrols of county voting precincts.

(2) The state police shall report the results of their investigation to the appropriate commonwealth and county attorneys.

Section 32. KRS 117.255 is amended to read as follows:

(1) The voter shall be instructed by the officers of election, with the aid of the instruction cards and the model, in the use of the machine, if the voter so requests.

(2) *Except for those voters who have been certified as requiring assistance on a permanent basis, no voter shall be permitted to receive any assistance in voting at the polls unless he makes and signs an oath that, by reason of inability to read English, or by reason of blindness or other physical disability he is unable to vote without assistance. The oath shall be upon a voter assistance form prescribed by the state board of elections. All persons assisting a voter shall execute the voter assistance form.*

(3) Upon making and filing with the judges such oath, the voter shall retire to the voting machine, with the judges, and one (1) of the judges shall then, in the presence of the other and the voter, operate the machine as the voter directs. The disabled person applying to vote may, if he prefers, be assisted by a person of his own choice who is not an election officer, except that the voter's employer, an agent of that employer, an officer or agent of that voter's union, or a candidate shall not assist the voter, nor shall a person assist more than two (2) voters on the date of any primary or regular or special election.

(4) The clerk shall swear the person accompanying the disabled or blind voter to operate the voting machine in accordance with the directions of the disabled or blind voter, and the disabled or blind voter and the person sworn shall then enter the voting booth and the one so sworn shall operate the machine for the disabled or blind voter as he directs.

(5) *Voters who require assistance on a permanent basis due to blindness or other physical disability may apply to the county board of elections for certification. Application may be made when registering to vote or completing the voter assistance form by indicating the reason for obtaining assistance is permanent. The county board of elections shall determine whether the applicant requires assistance on a permanent basis. The county board of elections shall notify the state board of elections, which shall cause the precinct roster of voters to indicate those voters who are certified to receive assistance permanently without signing voter assistance forms at the precinct.*

(6) Voting booth shall mean an area in which a voter casts his vote which is designed in such a manner that the secrecy of the vote is insured. No voter shall be assisted under this subsection unless the judges and the sheriff of election are satisfied of the truth of the facts stated in the oath. The voter shall state in his oath the specific physical disability that requires him to receive assistance, and the judges of election shall enter in writing, on a record of assisted voters, the voter's name and the specific physical disability which required him to receive assistance.

(7)~~(3)~~ No voter shall be permitted to occupy the voting machine more than two (2) minutes if other voters are waiting to use it.

(8)~~(4)~~ In primary elections, before a voter is permitted to use the voting machine, a judge of the election shall adjust the machine so that the voter will only be able to vote for the persons for whom the voter is qualified to vote.

(9)~~(5)~~ If the machine is so constructed as to require adjustment after one (1) person has voted before another person may vote, the judges of election shall so adjust it after each person has voted.

~~(10)(4)~~ The election officers shall constantly maintain a watch in order to prevent any person from voting more than once.

~~(11)(7)~~ In elections for president and vice president, if a voter is eligible to vote only for the office of president and vice president a judge of the election shall adjust the machine so that the voter will only be able to vote for president and vice president.

~~(12)(8)~~ If supplemental paper ballots have been approved, as provided in KRS 118.215, the voter shall vote his ballot in privacy in a booth provided for that purpose by the county clerk. If the voter spoils his ballot, he shall return the spoiled paper ballot to an election official who shall stamp the ballot "Spoiled," initial and place the spoiled ballot in an envelope provided for that purpose. The voter shall then be issued a second supplemental paper ballot. Upon completion of voting, the voter shall remove the numbered stub from the ballot, hand the stub to an election official and deposit the voted ballot in the locked ballot box in the presence of precinct election officials.

~~(13)~~ The election sheriff shall be responsible for reporting violations of this section.

Section 33. KRS 117.345 is amended to read as follows:

(1) The cost of all elections held in any county shall be allowed by the fiscal court and paid by the county treasurer, except as otherwise provided by law.

(2) When the cost of any election has been allowed by the fiscal court and paid by the county treasurer, and within sixty (60) days following the date of the election, the county treasurer shall certify a statement of the number of precincts in the county, the date and kind of election to the state board of elections. The certification shall be filed within ninety (90) days after the election. Upon receipt of the certification and upon being satisfied as to the correctness thereof, the state board of elections shall issue its warrant upon the state treasurer in favor of the county treasurer for the amount of *two hundred fifty-five dollars (\$255)* ~~eighty-five dollars (\$85)~~ for each precinct in the county. All sums paid under this section shall be in addition to any sum paid by the state for ballot paper in elections.

(3) Payments to any county under the provisions of subsection (2) of this section shall be terminated if and whenever it fails to renew a lease, contract, or lease and option with the state property and buildings commission executed in connection with the acquisition of voting machines by the commission for the use of such county; and payments to any county shall be terminated whenever such county fails to pay any part of the rentals required for any effective period of the lease.

Section 34. KRS 117.995 is amended to read as follows:

(1) Any person who violates any provision of this chapter, or who willfully does any act that will accomplish a result intended to be prevented, or that will prevent from being accomplished a result intended to be permitted, shall be fined not less than one hundred dollars (\$100) nor more than one thousand dollars (\$1,000), or imprisoned in the county jail for not more than one (1) year, or both.

(2) Any county clerk or [-] member of the county board of elections ~~or any election officer~~ who *knowingly* and willfully violates any of the provisions of this chapter, including furnishing applications for special ballots to persons other than those specified by the provisions of this chapter and failure to type the name of the voter on the application form as required by the provisions of this chapter, ~~and including failure to enforce the prohibition against electioneering established by KRS 117.235,~~ shall be confined in the penitentiary for not less than one (1) nor more than *five (5)* ~~three (3)~~ years.

(3) Any officer who willfully or neglectfully fails to prepare or furnish ballot labels or special ballots or fails to allow a qualified voter to cast his vote on the machine as required of him by this chapter shall be fined not less than one thousand dollars (\$1,000) nor more than two thousand dollars (\$2,000) for each offense, and in addition thereto may be confined in the county jail for not less than sixty (60) days nor more than six (6) months.

(4) *Any election officer who knowingly and wilfully violates any of the provisions of this chapter, including failure to enforce the prohibition against electioneering established by KRS 117.235, shall be confined in the penitentiary for not less than one (1) year nor more than three (3) years.*

(5) Any person who signs a name other than his own on an application for a special ballot or on the verification form for such ballot, or any person who votes a special ballot other than the one (1) issued in his name, or any person who applies for such ballot for the use of anyone other than himself or such person as shall be designated by the provisions of this chapter, or any person who makes a false statement on an application for a special ballot shall be fined not less than one hundred dollars (\$100) nor more than one thousand dollars (\$1,000) or imprisoned in the county jail for not more than one (1) year, or both.

(6)/(5) Any person who violates any provision of KRS 117.235 related to prohibited activities on election day after he has been duly notified of such provisions by the sheriff of the election precinct shall, for each offense, be fined not less than one hundred dollars (\$100) nor more than one thousand dollars (\$1,000) or imprisoned in the county jail for not more than one (1) year, or both.

(7) *Any person who shall have been selected to serve as an election officer but who shall knowingly and wilfully fail to serve and who is not excused by the county board of elections as provided in this chapter shall be fined not less than fifty dollars (\$50) nor more than five hundred dollars (\$500), and shall be ineligible to serve as an election officer for a period of five (5) years.*

(8) *Any person who knowingly and wilfully prepares or assists in the preparation of an inaccurate voter assistance form shall be guilty of a class A misdemeanor for the first offense and a class D felony for each subsequent offense; however, if a voter has been permanently certified as requiring voting assistance, there shall be no offense for the failure of the voter to complete the form.*

Section 35. KRS 118.035 is amended to read as follows:

(1) The polls shall be opened at 6:00 a.m., prevailing time, and remain open continuously until 6:00 p.m., prevailing time. Any voter who is waiting in line at the polls to cast his vote at closing time, and who has been unable to cast his vote before closing time because of the large numbers of voters casting their votes, shall be allowed to cast his vote as soon after closing time as practicable; provided, however, that no vote shall be cast after 7:00 p.m. No voter who arrives at the polls after 6:00 p.m., prevailing time, shall be allowed to cast his vote.

(2) Any person entitled to a vote at any election in this state shall, if he has made application for leave prior to the day he appears before the county clerk to request an application for or to execute a special ballot, or prior to the day of election, be entitled to absent himself from any services or employment in which he is then engaged or employed for a period of four (4) hours on the day he appears before the clerk to request an application for or to execute a special ballot, during normal business hours of the office of the clerk or on the day of the election between the time of opening and closing the polls.

(3) *Any person selected to serve as an election officer shall be entitled to absent himself from any services or employment in which he is then engaged or employed for a period of an entire day to attend training or to serve as an election officer. Such person shall not, because of so absenting himself, be liable to any penalty. The employer may specify the hours during which the employee may absent himself. No person shall refuse an employee the privilege hereby conferred, or discharge or threaten to discharge an employee or subject an employee to a penalty, because of the exercise of the privilege.*

Section 36. KRS 118.305 is amended to read as follows:

(1) Except as provided in KRS 118.345, and subject to the provisions of subsections (2) and (3) of this section, the county clerk of each county shall cause to be printed for the voting machines and on the special ballots for the regular election the names of the following persons:

(a) Candidates of a political party, as defined in KRS 118.015, who have received certificates of nomination at the preceding primary election, or certificates of nomination under KRS 118.185, and whose certificates of nomination have been filed with the secretary of state or the appropriate county clerk;

(b) Candidates of a political party, as defined in KRS 118.015, who have been nominated for an unexpired term in a manner determined by the governing authority of the party, as provided in KRS 118.115, and whose evidences of nomination have been filed with the secretary of state or the appropriate county clerk within the time prescribed in this chapter;

(c) Candidates of a political party, as defined in KRS 118.015, who have been nominated by the governing authority of the party to fill a vacancy in the candidacy of a person nominated at the preceding primary election, as provided in KRS 118.105, and whose certificates of nomination have been filed with the secretary of state or the appropriate county clerk, by at least the date provided by the election law generally for such filing;

(d) Candidates who have been nominated by a political organization as provided in KRS 118.325 and whose certificates or petitions of nomination have been filed with the secretary of state or the appropriate county clerk within the time prescribed in this chapter;

(e) Independent candidates who have been nominated by petition as provided in KRS 118.315, and whose petitions of nomination have been filed with the secretary of state or the appropriate county clerk within the time prescribed in this chapter;

(f) *Successful nominees of all nonpartisan primaries which shall have been conducted;*

(g) *Candidates who have filed a petition of candidacy as shall be required to fill a vacancy which shall appear on the ballot;*

(h) Where a vacancy in a candidacy occasioned by the death, removal or resignation of a candidate before the election and after the ballot labels have been prepared is filled by the chairman of the state, district or county political organization as provided by law, the chairman shall furnish to the county clerk a sufficient number of printed ballot labels bearing the name of the new candidate to replace those bearing the name of the candidate with respect to which the vacancy has occurred. If such ballot labels are furnished to the clerk before the machines are delivered to the election precincts, the clerk shall cause them to be inserted in the proper ballot frames. If they are furnished after the machines have been delivered to the election precincts, the county clerk shall cause the ballot labels to be delivered to the clerk of each precinct, with directions as to insertion in the proper ballot frames;

(i)(g) Candidates for president and vice president of the United States, of those political parties and organizations who have nominated presidential electors as provided in KRS 118.325, where the certificate of nomination of such electors has been filed with the secretary of state within the time prescribed in this chapter; and

(j)(h) Candidates for soil and water district supervisors who have been nominated by petition as provided in KRS 262.210.

(2) Candidates for members of boards of education shall have their names printed on ballot labels and special ballots for the regular election only after filing as provided in KRS 160.220.

(3) Except as provided in KRS 118.105 and 118.115, the name of no candidate shall be printed upon the ballot labels and special ballots for any regular election as the nominee of any political party, as defined in KRS 118.015, or under the emblem of any political party, as so defined, except those candidates who have been duly and regularly nominated as nominees of that party at a primary election held as provided in this chapter.

(4) No county clerk shall knowingly cause to be printed, upon the ballot labels or special ballots for any regular election, the name of any candidate of a political party, as defined in KRS 118.015, who has not been nominated in the manner provided in the primary election laws or the name of any candidate who is not in compliance with the restrictions concerning party registration and candidacy provided in subsection (1) of KRS 118.315.

(5) The names of candidates for president and vice president shall be certified in lieu of certifying the names of the candidates for presidential electors.

(6) Whenever a vacancy occurs in an elective office which is required by law to be filled temporarily by appointment, the officer or body designated by law to make the appointment, or in the case of an office to be filled by appointment from a list of nominations, the officer or body designated by law to make the nominations, shall immediately notify in writing both the county clerk and secretary of state of the vacancy.

Section 37. KRS 119.205 is amended to read as follows:

(1) Any person who receives a bribe for his vote at an election, or for his services or influence in procuring a vote at an election, shall be fined not less than *one thousand* ~~[fifty]~~ dollars (\$1,000) ~~[\$50.00]~~ nor more than *ten thousand* ~~[five hundred]~~ dollars (\$10,000) *or be confined in the penitentiary for not less than one (1) nor more than five years, or both* ~~[\$500]~~, and shall be excluded from office and suffrage upon conviction.

(2) Any person who bribes, *conspires to bribe another or assists to bribe* another shall be fined not less than *one thousand* ~~[fifty]~~ dollars (\$1,000) ~~[\$50.00]~~ nor more than *ten thousand* ~~[one hundred]~~ dollars (\$10,000) ~~[\$100]~~, *or be confined* ~~[imprisoned]~~ in the *penitentiary* ~~[county jail]~~ for not less than *one (1) year* ~~[ten (10) days]~~ nor more than *five (5) years* ~~[ninety (90) days]~~, or both, and upon conviction shall be excluded from office and suffrage.

(3) "Bribe," as used in this section, means any reward, benefit or advantage, present or future, to the person influenced or intended to be influenced, or to another at his instance, or the promise of such reward, benefit or advantage; it includes money or other thing of value given to lent to be wagered on the result of an election, or the promise thereof, or a bet with another that such other will vote for a named candidate, and the gift or promise of a share in any such bet made or to be made.

(4) Any person who receives money or other thing of value to be used for the purpose of procuring or influencing a vote shall be deemed to have been bribed.

(5) (a) *Any candidate or person working on behalf of any candidate who knowingly makes payment to another or any person who receives payment from such candidate or person for services rendered or goods furnished, including advertising, in excess of that normally charged for such services or goods, shall be fined not less than fifty dollars (\$50) nor more than five hundred dollars (\$500) or imprisoned in the county jail for not less than ten (10) nor more than ninety (90) days, or both.*

(b) *No candidate nor committee, nor any person on their behalf, shall pay any person more than the reasonable value thereof for transporting voters to the polls on the day of an election. All such payments shall be by check and no portion of such payment shall be paid to any of the persons transported. Any person found guilty of a violation of this subsection shall be fined not less than fifty dollars (\$50) nor more than five hundred dollars (\$500) or imprisoned in the county jail for not less than ten (10) nor more than ninety (90) days or both.*

Section 38. KRS 119.305 is amended to read as follows:

Election officers shall give information of all infractions of the election laws to the grand jury, ~~[or]~~ commonwealth's attorney, *attorney general and the registry of election finance. The election officers shall cooperate in any investigation or prosecution of election law violations.* When there is reason to fear that an offender will escape out of the county before indictment, any election officer may procure his immediate apprehension.

Section 39. KRS 119.345 is amended to read as follows:

(1) *At the discretion of the prosecuting attorney, in any prosecution under the election laws it shall be no exemption for a witness that his information* ~~[testimony]~~ *may criminate himself, and* ~~[but]~~ *no such information* ~~[testimony]~~ *given by a witness shall be used against him in any prosecution, except for perjury, and if used on behalf of the commonwealth he shall stand discharged from all penalties for any violation of the election laws so necessarily disclosed in the information he so discloses* ~~[his testimony]~~ *as tending to convict the accused.*

(2) The statement of any person testifying in any case under the provisions of KRS 121.025, 121.045, 121.055, or subsection (1) of KRS 121.310 shall not be used against him in any prosecution or civil proceeding.

Section 40. KRS 121.110 is amended to read as follows:

(1) There is hereby created as an independent agency of state government a Kentucky registry of election finance. The registry shall be composed of *seven (7)* ~~[five (5)]~~ members appointed ~~[by the governor]~~ as provided herein. The registry shall remain independent of any other agency or department of state government. *Members shall be at least twenty-five (25) years of age, registered voters in Kentucky, not an announced candidate for public office, not an officer of a political party's state central executive committee, shall not have been convicted of an election offense, and shall be persons of high ethical standards who have an active interest in promoting*

fair elections. Appointees shall be subject to senate confirmation at the next regular session of the general assembly following appointment, or at the next special session if included in the governor's call. Appointees shall have full power to serve until any vote of nonconfirmation.

(2) *Members of the registry shall be selected as follows:*

(a) *One (1) member shall be appointed by the governor from a list of three (3) nominees submitted by the state central committee of the political party polling the largest vote at the last gubernatorial election.*

(b) *One (1) member shall be appointed by the governor from a list of three (3) nominees submitted by the state central committee of the political party polling the second largest vote at the last gubernatorial election. The members appointed pursuant to subsections (a) and (b) of this section shall take office on August 15, 1990 for a term of one (1) year and their successors shall serve at term of four (4) years beginning August 15, 1991, or until their successors are appointed and qualified.*

(c) *Two (2) other members shall be appointed by the governor. Before making these appointments, the governor shall solicit nominations from at least two (2) organizations which have demonstrated a nonpartisan interest in fair elections and informed voting. The governor's solicitations and the replies shall be public records. The governor shall give due consideration to such nominations. The two (2) members appointed pursuant to this subsection shall be one (1) from each of the two (2) political parties which polled the greatest number of votes at the last gubernatorial election. Members appointed pursuant to this subsection shall take office on August 15, 1988 for a term of four (4) years or until their successors are appointed and qualified and their successors shall serve a term of four (4) years.*

(d) *One (1) member shall be appointed by the lieutenant governor after soliciting nominations as provided by subsection (c) of this section. The appointee shall be a member of one (1) of the two (2) political parties which polled the greatest number of votes at the last gubernatorial election. The member appointed pursuant to this subsection shall take office on August 15, 1990, for a term of three (3) years or until his successor is appointed and qualified and his successors shall serve a term of four (4) years.*

(e) *One (1) member shall be appointed by the attorney general after soliciting nominations as provided by subsection (c) of this section. The appointee shall not be a member of the same political party as the person appointed by the lieutenant governor pursuant to subsection (d) of this section. The member appointed pursuant to this subsection shall take office on August 15, 1990 for a term of four (4) years or until his successor is appointed and qualified and his successors shall serve a term of four (4) years.*

(f) *One (1) member shall be appointed by the secretary of state after soliciting nominations as provided by subsection (c) of this section. The secretary of state's appointment shall be without regard to political affiliation. The member appointed pursuant to this subsection shall take office on August 15, 1990, for a term of three (3) years or until his successor is appointed and qualified and his successors shall serve a term of four (4) years. [Two (2) members shall be appointed from each of the two (2) political parties that polled the largest vote in the last preceding election for state officers or presidential electors. The state central committees of the two (2) parties shall each submit a list of three (3) names to the governor and the appointments shall be made from these lists. The list shall be submitted on or before July 15, following June 16, 1966, and at the same time every four (4) years thereafter. The members shall take office on August 15 succeeding the submission of the list and serve for a term of four (4) years or until their successors are appointed and qualified.]*

(3) *The members of the registry shall select a chairman from among the appointed membership, effective August 15, 1990. The chairman shall serve in that capacity for one (1) year and shall be eligible for reelection. [The appointed members shall within thirty (30) days after qualifying and assuming office submit a list of two (2) persons from which the governor within thirty (30) days from its receipt shall appoint the fifth member, who shall serve as chairman. The term of the fifth member shall end on the same day as the terms of the appointed members.] The chairman shall preside at all meetings and shall have all the powers and privileges of the other members.*

(4) *In the event of a vacancy in the office of any member, the vacancy shall be filled in the same manner as the vacating member's office was filled pursuant to subsection (2) of this section [appointed from the list furnished by a political party, the vacancy shall be filled from a list of three (3) submitted by the state central committee of the party to which that member belonged. In the event of a vacancy in the office of chairman, the appointment shall be made in the same manner as the original appointment. All appointments to fill*

a vacancy shall be for the unexpired term or until a successor is appointed and qualified.

(5) ~~The list to be submitted to the governor for the office of chairman, or to fill a vacancy in that office, shall not be compiled at a time when a vacancy exists in any of the other four (4) offices.~~

(6) ~~The members of the registry shall be at least twenty-five (25) years of age and shall be registered voters of Kentucky.~~

(5) ~~(7)~~ The registry shall fix the place and time of its regular meetings by order duly recorded in its minutes. No action shall be taken without a quorum present. Special meetings shall be called by the chairman on his own initiative or on the written request of ~~three (3)~~ ~~two (2)~~ members. Members shall receive seven (7) days' written notice of a special meeting and the notice shall specify the purpose, time and place of the meeting, and no other matters may be considered, without a specific waiver by all the members.

(6) ~~(8)~~ The members of the registry shall receive sixty-five dollars (\$65) per diem, and shall be reimbursed for all reasonable and necessary expenses.

Section 41. KRS 121.120 is amended to read as follows:

(1) The registry shall appoint a full-time executive director, legal counsel and an accountant for auditing purposes, all of whom shall serve at the pleasure of the registry. The registry shall also appoint such other employes as are necessary to carry out the purposes of this chapter.

(2) ~~[It shall be the duty of]~~ The registry *may* ~~[to]~~ conduct hearings with regard to possible violations and for the effectual carrying out of its responsibilities the registry shall have the authority to initiate a civil action in any court of competent jurisdiction for the purpose of enforcing compliance with the provisions of this chapter or enjoining violations thereof or recovering any penalty prescribed by this chapter.

(3) The registry shall adopt such regulations, official forms and perform such duties as are necessary to implement the provisions of KRS 121.015 and 121.110 to 121.200. Without limiting the generality of the foregoing the registry shall:

(a) Develop prescribed forms for the making of the required reports;

(b) Prepare and publish a manual for all candidates and committees, describing the requirements of the law, including uniform methods of bookkeeping and reporting and requirements as to reporting dates and the length of time that candidates and committees are required to keep any records pursuant to the provisions of this chapter;

(c) Develop a filing, coding and cross-indexing system;

(d) Make each report filed available for public inspection and copying during regular office hours at the expense of any person requesting copies of the same;

(e) Preserve all reports for at least four (4) years from the date of receipt;

(f) Prepare and make available for public inspection a summary of all reports grouped according to candidates and parties, containing the total receipts and expenditures, and the date, name, address and occupation, and amount contributed by each contributor, listed alphabetically, shown to have contributed in excess of three hundred dollars (\$300);

(g) Prepare and publish an annual report with cumulative compilations named in paragraph (f) of this subsection;

(h) Distribute upon request, for a nominal fee, copies of all summaries and reports;

(i) Determine whether the required reports have been filed and if so, whether they conform with the requirements of this chapter; give notice to delinquents to correct or explain defections; issue an order, if

appropriate, as provided in KRS 121.140(2); make public the fact that a violation has occurred and the nature thereof;

(j) Hold public hearings, investigate any violations in reporting, and issue subpoenas for the production of any books, papers, correspondence, memorandums or other records and the attendance of witnesses which the registry deems relevant or material for the purpose of any investigation;

(k) Conduct random audits of receipts and expenditures of candidates running for city, county, urban-county government, and district offices. When the registry audits the records of any selected candidate, it shall also audit the records of all other candidates running for the same office in the selected city, county, urban-county government, or district office;

(l) Conduct audits of receipts and expenditures of all candidates running for statewide office;

(m) Candidates shall maintain their records for a period of four (4) years from the date of the general election in their respective political races;

(n) *Initiate investigations and* make investigations with respect to reports upon complaint by any registered voter and to initiate proceedings on its own motion; and

(o) Forward to the attorney general [~~or to the appropriate Commonwealth's attorney~~] any violations of this chapter which may become the subject of civil prosecution.

Section 42. KRS 121.140 is amended to read as follows:

(1) Upon the sworn complaint of any person, or on its own initiative, the registry shall investigate alleged violations of *campaign finance* [this] law. ~~[Not later than five (5) days after the registry receives a sworn complaint, or after it decides to investigate on its own initiative, it shall give notice of the investigation to the person complained against. The person complained against shall be given five (5) days from receipt of notice of the investigation in which to respond to the complaint of alleged violations of this law. Not later than five (5) days after receipt of a response from the person complained against, the registry shall:~~

(a) Acknowledge receipt of the complaint to the complainant, where appropriate;

(b) Acknowledge receipts of the response from the person complained against; and

(c) ~~Notify, in writing, the person who made the complaint and the person complained against of what action, if any, the registry has taken or plans to take on the complaint together with the reasons for such action or non-action. If the registry does not decide within five (5) days of receipt of the response what action to take, it shall notify the person who made the complaint of the reasons for the delay and shall subsequently give him the appropriate notification.]~~

(2) When the registry concludes that there is probable cause to believe that the law has been violated, it may hold a hearing to determine if such violation has occurred. *In such event, the registry shall notify the complainant and the person complained against that a hearing shall be conducted of the specific offenses alleged not less than thirty (30) days prior to the date of the hearing.* If a hearing is held, the person complained against may choose whether the hearing shall be open or closed. At the hearing, the person complained against shall have all of the protections of due process, including but not limited to the right to be represented by counsel, the right to call and examine witnesses, the right to the production of evidence by subpoena, the right to introduce exhibits and the right to cross-examine opposing witnesses. When the registry determines that the preponderance of the evidence shows a violation has occurred, it shall issue an order to the violator to comply with any one (1) or more of the following requirements:

(a) To cease and desist violation of this law;

(b) To file any reports or other documents or information required by this law;

(c) To pay a penalty not to exceed one hundred dollars (\$100) a day, up to a maximum total fine of one thousand dollars (\$1,000), for failure to file any report or other document or information required by

law until such report, document or information is filed, provided there shall be no maximum total fine for candidates for statewide office: or

(d) To pay a penalty not to exceed one hundred dollars (\$100) per violation for acts of noncompliance with provisions, contained within this chapter except violations of KRS 121.150(2) and reporting requirements contained within this chapter.

(3) If the registry concludes that there is probable cause to believe that the *campaign finance* law has been violated wilfully, it shall ~~may~~ refer such violation to the attorney general ~~[or to the appropriate local prosecutor]~~ for ~~[investigation and]~~ prosecution. The attorney general *may request the registry's attorney or the appropriate county or Commonwealth's attorney to prosecute the matter [or the appropriate local prosecutor shall have responsibility for prosecutions under the law]* and may request from the registry all evidence collected in its investigation. *In the event the attorney general or the appropriate local prosecutor fails to prosecute in a timely fashion, the registry may petition the circuit court to appoint the registry's attorney to prosecute, and upon such motion for good cause shown, the court shall enter an order to that effect. Prosecutions involving campaign finance law violations, in which the reports are required to be filed in Frankfort, may be conducted in Franklin Circuit Court.*

(4) Any person directly involved or affected by an action of the registry which is final, other than of a determination to refer a violation to the attorney general ~~[or to the appropriate local prosecutor]~~ for prosecution, may seek judicial review of such action.

(5) If judicial review is sought of any action of the registry relating to a pending election, the matter shall be advanced on the docket of the court. The court may take any steps authorized by law to accelerate its procedures so as to permit a timely decision.

Section 43. KRS 121.150 is amended to read as follows:

(1) No contribution of money or other thing of value, nor obligation therefor, shall be made or received, and no expenditure of money or other thing of value, shall be made or incurred, directly or indirectly, other than an "independent expenditure," to support or defeat a candidate in an election, except through the duly appointed campaign manager, or campaign treasurer of the candidate or registered committee. As used in this section, "independent expenditure" means one (1) made for a communication which expressly advocates the election or defeat of a clearly identified candidate and which is not made with any direct or indirect cooperation, consent, request or suggestion or consultation involving a candidate or his authorized committee or agent. Any person making an "independent expenditure" as defined herein must report these expenditures, when he exceeds three hundred dollars (\$300) per calendar year, on forms provided by the registry.

(2) The solicitation from and contributions by candidates and party executive committees to any religious, charitable, civic, eleemosynary or other causes or organizations established primarily for the public good is expressly prohibited; provided that it shall not be construed as a violation of this section for a candidate to continue regular personal contributions to religious, civic or charitable groups, of which he is a member or to which he has been a regular contributor for more than six (6) months.

(3) *No candidate, committee, or contributing organization, nor anyone acting on their behalf, shall accept any anonymous contribution in excess of one hundred dollars (\$100), and all such contributions in excess of one hundred dollars (\$100) shall be returned to the donor, if the donor can be determined. [Any anonymous contribution in excess of one hundred dollars (\$100) received by a campaign treasurer or committee shall not be used or expended, but shall be returned to the donor, if his identity is known, and] If no donor is found, the contribution shall escheat to the state.*

(4) No candidate, ~~nor~~ committee, *or contributing organization*, nor anyone on their behalf, shall accept a cash contribution in excess of one hundred dollars (\$100).

(5) No candidate, committee, contributing organization, nor anyone on their behalf, shall accept any contribution in excess of one hundred dollars (\$100) from any person who shall not become eighteen (18) years of age on or before the day of the next general election.

(6) No candidate, nor committee or anyone acting for the candidate, shall accept a contribution of more than four thousand dollars (\$4,000) from any person, permanent committee, or contributing organization in any one (1) election. No person, permanent committee or contributing organization shall contribute more than

four thousand dollars (\$4,000) to any one (1) candidate, or anyone acting for the candidate, in any one (1) election.

(7) Except for permanent committees organized as of January 1, 1988, permanent committees or contributing organizations affiliated by bylaw structure or by registration, as determined by the registry of election finance, shall be considered as one (1) committee for purposes of applying the contribution limits of subsection (6) of this section.

(8) No permanent committee shall contribute funds to another permanent committee for the purpose of circumventing contribution limits of subsection (6) of this section.

(9) No person shall contribute more than four thousand dollars (\$4,000) to all permanent committees and contributing organizations in any one (1) year.

(10) No person shall contribute more than six thousand dollars (\$6,000) to the state executive committee of a political party and their subdivisions and affiliates in any one (1) year ~~nor committee, nor anyone on their behalf, shall accept more than four thousand dollars (\$4,000) contributed by any one (1) person in any one (1) election.~~

(6) No person shall contribute more than four thousand dollars (\$4,000) to any one (1) candidate in any one (1) election].

(11)[(7)] No person shall make a contribution in the name of another person, and no person shall knowingly accept a contribution made by one (1) person in the name of another person.

(12)[(8)] No elected statewide official shall actively solicit contributions to retire a campaign debt during his term of office, nor shall such official accept contributions to retire his campaign debt during his term of office from any person receiving payment or compensation for services rendered pursuant to a contract with state government.

(13) No candidate for the office of governor shall make a personal loan to his committee in excess of fifty thousand dollars (\$50,000) in any one (1) election. No candidate for any other statewide elected state office shall lend to his committee any amount in excess of twenty-five thousand dollars (\$25,000) in any one (1) election. In campaigning for all other offices, no candidate shall lend to his committee more than ten thousand dollars (\$10,000).

Section 44. KRS 121.160 is amended to read as follows:

(1) Each candidate shall designate a campaign treasurer to act as his agent at the time and at the office with which he files as a candidate on a duplicate form prescribed and furnished by the registry and until this requirement is met the candidate shall be listed as his own treasurer and accountable as such. The candidate may appoint himself or any registered voter in Kentucky as his campaign treasurer. The office with which the candidate is required to file shall immediately forward to the registry the duplicate copy of the completed form designating the candidate's campaign treasurer and shall attach the original to the candidate's filing papers. The office with which the candidate files shall promptly notify the registry when a candidate withdraws.

(2) The duties of a campaign treasurer shall be to:

(a) Designate a depository bank for all campaign funds and deposit all contributions in that depository;

(b) Keep detailed and exact accounts of contributions in general and by name, address, age, if under legal voting age, and occupation where the contribution exceeds three hundred dollars (\$300); the occupation listed for the contributor shall be specific. A general classification such as "businessman" shall be insufficient;

(c) Make or authorize all expenditures on behalf of a candidate. Any expenditure in excess of twenty-five dollars (\$25) shall be by check and the treasurer's records ~~[one hundred dollars (\$100)]~~ shall disclose the name, address and occupation of every person or firm to whom made, and shall list the date and amount of such expenditure and the treasurer shall keep a receipted bill for each: ~~[and]~~

(d) Maintain all receipted bills and accounts required by this section for a period of four (4) years from the date he files his last report under KRS 121.180(2)(a); and

(e) *Make no payment to any person not directly providing goods or services with the intent to conceal payment to another.*

(3) A candidate may remove a campaign treasurer at any time.

(4) In case of the death, resignation or removal of a campaign treasurer the candidate shall within three (3) days after receiving notice thereof by certified mail, return receipt requested, appoint a successor and shall file his name and address with the registry. The candidate shall be accountable as his own campaign treasurer if he fails to meet this filing requirement.

(5) A person may serve as campaign treasurer for more than one (1) candidate, but all reports must be made separately for each individual candidate.

(6) The candidate may pay a campaign treasurer a salary for his services which shall be considered a campaign expense and must comply with the reporting provisions of KRS 121.015 and 121.110 to 121.200 and those adopted by the registry.

Section 45. KRS 121.170 is amended to read as follows:

(1) Any committee organized, under any provisions of this chapter, shall register with the registry, by filing official notice of intention at the time of organization, giving names and addresses and positions of the officers of the organization and designating the candidate or candidates or question it is organized to support or oppose on forms prescribed by the registry. *The name of the committee shall reasonably identify to the public the sponsorship and purpose of the committee. The forms filed with the registry shall require the registrant to clearly identify the specific purpose, sponsorship and source from which the committee originates; and the registry shall refuse to allow filing by any committee until this requirement has been satisfied.*

(2) All provisions of KRS 121.015 and 121.110 to 121.200 governing the duties and responsibilities of a candidate or campaign treasurer shall apply to a registered committee.

(3) The chairman of a committee and the campaign treasurer shall be separate persons.

Section 46. KRS 121.180 is amended to read as follows:

(1) State and county executive committees shall make a full report, upon a prescribed form, to the registry, of all money, loans or other things of value, received from any source since the date of the last report, including the full name and [-] address of each contributor, and the age [-] if less than the legal voting age, and occupation of each person or group contributing in excess of three hundred dollars (\$300), the amount contributed by each and the date of the contribution. *whether the contribution was in cash,* and a complete statement of all expenditures authorized, incurred, or made. *The total amount of cash contributions received during the reporting period shall be listed as a separate item.* The complete statement of expenditures shall include the name and address of each person to whom an expenditure is made in excess of one hundred dollars (\$100) and the amount, date and purpose of each expenditure. This report shall be made to the registry within thirty (30) days after the regular primary and general elections. If an individual gives a reportable contribution to a state or county executive committee with the intention that the contribution or a portion of the contribution go to a candidate, the name of the contributor and the sum shall be indicated on the committee report. The receipts and expenditures of funds remitted to each political party under KRS 141.071 to 141.073 shall be separately accounted for and reported to the registry in the manner required by KRS 121.230. Such separate report may be made a separate section within the report required, by this subsection, to be submitted within thirty (30) days after each general election.

(2) Each campaign treasurer of an opposed candidate, who receives or expends, expects to receive or expend or contracts to expend more than three thousand dollars (\$3000), campaign committee or political issues committee shall make a full report, upon a prescribed form, to the registry, of all money, loans or other things of value, received by him from any source, since the date of the last report, including the full name and [-] address of each contributor, and the age [-] if less than the legal voting age, and occupation of each person or group contributing in excess of three hundred dollars (\$300), the amount contributed by

each and the date of the contribution, *whether the contribution was in cash*, and a complete statement of all expenditures authorized, incurred, or made, including "independent expenditures," as defined in KRS 121.150(1). *The total amount of cash contributions received during the reporting period shall be listed as a separate item.* The complete statement of expenditures shall include the name, address, and occupation of each person to whom an expenditure is made in excess of one hundred dollars (\$100), and the amount, date and purpose of each expenditure. Reports of all candidates and their campaign committee shall be made as follows:

(a) Persons becoming candidates as defined in KRS 121.015(7) and campaign committees which register in the year before the year an election in which the person or persons supported are to be candidates occurs, shall file financial reports with the registry at the end of the first calendar quarter after the person becomes a candidate or following registration of the committee, and each calendar quarter thereafter, ending with the last calendar quarter of that year. Such candidates and committees shall make all reports required by this section during the year in which the election takes place;

(b) All candidates and their campaign committees shall make reports on the thirty-second day preceding an election, including all previous contributions and expenditures;

(c) All candidates and their campaign committees shall make reports on the twelfth day preceding the date of the election; and

(d) All reports to the registry shall be postmarked within five (5) days of each filing deadline.

(3) All candidates, regardless of funds received or expended, and their campaign committee shall make post-election reports within thirty (30) days after the election.

(4) In making the preceding reports, the total gross receipts from each of the following categories shall be listed; proceeds from the sale of tickets for events such as testimonial affairs, dinners, luncheons, rallies and similar fund raising events, mass collections made at such events, and sales of items such as campaign pins, buttons, hats, ties, literature and similar materials. When any individual purchase or the aggregate purchases of any item enumerated above exceeds *one [three]* hundred dollars *(\$100) [(\$300)]*, the purchaser shall be identified by name, address, age, if less than the legal voting age, and occupation and the amount purchased shall be reported to the registry. Such lists shall be maintained by the campaign treasurer or other sponsor for inspection by the registry for four (4) years following the date of the election.

(5) Each permanent committee shall make a full report, upon a prescribed form, to the registry of all money, loans or other things of value, received by it from any source, since the date of the last report, including the *full name and [-] address of each contributor, and the age [-] if under the legal voting age, and occupation of each person or group contributing in excess of three hundred dollars (\$300) and if in cash it shall be so stated, and an aggregate amount of cash contributions shall also be reported*, the amount contributed by each and the date of the contribution, and a complete statement of all expenditures authorized, incurred or made, including "independent expenditures," as defined in KRS 121.150(1). This report shall be made to the registry on the last day of the first calendar quarter following the registration of the committee with the registry and on the last day of each succeeding calendar quarter until such time as the committee terminates.

(6) If the final statement of an opposed candidate shows an unexpended balance of contributions, continuing debts and obligations, or an expenditure deficit, the campaign treasurer shall file with the registry a supplemental statement of contributions and expenditures not more than thirty (30) days after the deadline for filing the final statement. Subsequent supplemental statements shall be filed semiannually by opposed candidates and annually by unopposed candidates, to be postmarked within ten (10) days after *April 15 and October 15 [June 30 and December 31]* for opposed candidates and *October 15 [December 31]* for unopposed candidates, until the account shows no unexpended balance, continuing debts and obligations, expenditures, or deficit. A candidate does not have to file supplemental reports if the debt is the candidate's personal note, except that an elected official who receives contributions subsequent to his election to retire his personal note, shall continue to file supplemental reports. All contributions made both prior and subsequent to the election shall be subject to the maximum individual contribution limit imposed by KRS 121.150.

(7) All reports filed under the provisions of this chapter shall be a matter of public record open to inspection by any member of the public immediately upon receipt of the report by the registry. A duplicate copy of each report filed with the registry shall be filed by the candidate or committee with the county clerk in the county in which the candidate resides at the same time. County clerks shall maintain these reports for public inspection for a period of one (1) year from the date the last report is required to be filed.

(8) If a candidate is unopposed in an election after the time prescribed by law for qualifying for nomination or election to the office, he shall not be required to file any pre-election reports required by KRS 121.015 and 121.110 to 121.200. The secretary of state and each county clerk shall notify the registry of all unopposed candidates within their filing jurisdiction within ten (10) days of the filing deadline.

(9) A candidate is relieved of the duty personally to file reports and keep records of receipts and expenditures if the candidate states in writing or on forms provided by the registry that:

(a) Within five (5) days after personally receiving contributions in excess of three thousand dollars (\$3,000), the candidate shall surrender possession of the entire contribution or contributions to the treasurer of his principal campaign committee without expending any of the proceeds thereof. No contributions shall be commingled with the candidate's personal funds or accounts. Contributions received by check, money order, or other written instrument shall be endorsed directly to the political committee and shall not be cashed or redeemed by the candidate;

(b) The candidate shall not make any unreimbursed expenditure for his campaign, except that this paragraph does not preclude a candidate from making an expenditure from personal funds to his designated principal campaign committee, which expenditure shall be reported by the committee as a contribution received;

(c) The waiver shall continue in effect as long as the candidate complies with the conditions under which it was granted.

(10) No candidate as defined in this section, nor any committee as defined in this section shall use or permit the use of contributions or funds solicited or received for such person or in support of a public issue to further the candidacy of such person for a different public office or to further a different public issue. Any funds or contributions solicited or received by or on behalf of a candidate or any committee, which has been organized in whole or in part to further any candidacy for the same person, shall be deemed to have been solicited or received for the candidacy for which he is then a candidate if the funds or contributions are solicited or received at any time prior to the general election for which he is a nominee and for thirty days (30) thereafter. Any unexpended balance of funds not otherwise obligated for the payment of expenses incurred to further a political issue or the candidacy of a person shall, at the election of the candidate or committee, escheat to the state treasury, be returned pro rata to all contributors or, in the case of a partisan candidate, be transferred to the executive committee of the political party of which the candidate is a member except that a candidate, committee or an official may retain such funds to further the same political issue or to seek election to the same office.

Section 47. KRS 121.220 is amended to read as follows:

(1) Each candidate and each committee shall, before receiving any contributions or expending any money, designate one (1) primary campaign depository for the purpose of depositing all contributions received and disbursing all expenditures made by the candidate or committee. The candidate or committee may also designate one (1) secondary depository in each county in which an election is held and in which the candidate or committee participates. Deputy campaign treasurers may ~~make deposits in and~~ make expenditures from secondary depositories *but only from monies which first have been deposited in the primary campaign depository.* Only a financial institution authorized to transact business in Kentucky may be designated as a campaign depository. The candidate or committee shall file the name and address of each primary and secondary depository so designated at the same time the candidate or committee files the name of his or its campaign treasurer.

(2) All funds received by the campaign treasurer or any deputy campaign treasurer of any candidate or committee shall be deposited prior to the end of the fifth business day following their receipt in a campaign depository in an account designated "Campaign Fund of (name of candidate or committee)." A statement showing the full name, address and occupation of each contributor of more than three hundred dollars (\$300) shall be deposited together with a statement of the amount received. Cash contributions shall be accompanied by the same receipt form.

Section 48. KRS 121.990 is amended to read as follows:

(1) Any public service corporation engaged in business in this state, or any officer or agent of such corporation, or attorney or other person employed by such corporation, who willfully violates any of the provisions of KRS 121.025, shall be fined not more than ten thousand dollars (\$10,000), and, in the case of individuals, be imprisoned in the county jail for not less than thirty (30) days nor more than one (1) year.

(2) Any corporation other than a public service corporation, or any officer or agent of such a corporation, or attorney or other person employed by such a corporation, who willfully violates any of the provisions of KRS 121.025 with respect to the nomination or election of any state, county, city or district officer who, in his official capacity, is required by law to perform any duties peculiar to such corporation not common to the general public, or to supervise, regulate or control in any manner the affairs of such corporation, or to perform any duty in assessing the property of such corporation for taxes, shall be fined not more than ten thousand dollars (\$10,000), and, in the case of individuals, be imprisoned in the county jail for not less than thirty (30) days nor more than one (1) year.

(3) Any corporation other than a public service corporation, or any officer or agent of such a corporation, or attorney or other person employed by such a corporation, who willfully violates any of the provisions of KRS 121.025 with respect to the nomination or election of any candidate other than those mentioned in subsection (2) of this section, shall be fined not more than one thousand dollars (\$1,000), and, in the case of individuals, be imprisoned in the county jail for not more than one (1) year.

(4) Any attorney who willfully violates any of the provisions of KRS 121.025 or 121.045 shall, in addition to the penalties prescribed in subsections (1), (2), (3) and (7) of this section, be disbarred from the practice of law in this state, and the judgment of conviction shall so declare.

(5) Any corporation that willfully violates any of the provisions of subsection (1) of KRS 121.035 shall be fined not less than five hundred dollars (\$500) nor more than five thousand dollars (\$5,000) for each offense, and upon conviction its charter shall be forfeited or its authority to do business revoked.

(6) Any person who willfully violates any of the provisions of subsection (2) of KRS 121.035 shall, for each offense, be fined not less than two hundred and fifty dollars (\$250) nor more than one thousand dollars (\$1,000), and imprisoned in the county jail for not less than three (3) months nor more than one (1) year.

(7) Any person who willfully violates any of the provisions of KRS 121.045 shall be fined not more than ten thousand dollars (\$10,000), and imprisoned in the county jail for not less than thirty (30) days nor more than one (1) year.

(8) Any person who willfully violates any of the provisions of KRS 121.055 shall be fined not more than five thousand dollars (\$5,000), or imprisoned in the county jail for not more than six (6) months, or both.

(9) Any person who willfully violates any provision of KRS 121.110 to 121.200 shall be punishable by a fine not exceeding one thousand dollars (\$1,000) or by imprisonment for not more than one (1) year, or both. Violations shall include but shall not be limited to any of the following acts or omissions:

- (a) Failure to make required reports or to file reports at times specified;
- (b) Making any false statement or report;
- (c) Giving money under a fictitious name; or
- (d) Making any communication to support or defeat a candidate without identification of sponsorship.

(10) The nomination for, or election to, an office of any candidate who willfully violates any provision of KRS 121.110 to 121.200, or whose campaign treasurer willfully violates any provision of KRS 121.110 to 121.200, with such candidate's knowledge, shall be void, and the office or candidacy shall be filled as provided by law for the filling of a vacancy. An action to declare a vacancy under this subsection may be brought by the registry, the attorney general, or any candidate for the office sought to be declared vacant, or any qualified voter.

(11) The attorney general, commonwealth's attorney, the registry, or any qualified voter may sue for injunctive relief to compel compliance with the provisions of KRS 121.110 to 121.200.

(12) The commonwealth's attorney for the county in which the candidate resides shall be the chief prosecutor upon receipt of a written request from the registry, shall prosecute any violator under this chapter, and in the event he fails or refuses to prosecute a violator, upon written request from the registry, the attorney

general shall appoint a special prosecutor with full authority to carry out the provisions of this section.

(13) Any officeholder who willfully violates the provisions of KRS 121.150(7) shall be subject to removal from office by impeachment.

(14) Prosecution for violation of any provision of *this chapter* [~~KRS 121.110 to 121.200,~~] shall not be commenced after four (4) years have elapsed from the date of the violation. In the event the violator is an officeholder, the statute of limitations shall not run until one (1) year following expiration of his current term of office.

(15) Any person who willfully violates any of the provisions of subsection (1) of KRS 121.310 shall be fined not less than one thousand dollars (\$1,000) nor more than five thousand dollars (\$5,000), or imprisoned in the county jail for not more than six (6) months, or both.

(16) Any corporation that willfully violates any of the provisions of subsection (2) of KRS 121.310 shall be fined not less than five hundred dollars (\$500) nor more than five thousand dollars (\$5,000) for each offense, and upon conviction its charter shall be forfeited or its authority to do business revoked.

(17) Any person who willfully violates any of the provisions of KRS 121.320 shall be fined not less than fifty dollars (\$50) nor more than five hundred dollars (\$500), or imprisoned in the county jail for not less than ten (10) days nor more than thirty (30) days, or both.

(18) *Any person who fails to pay a civil penalty, assessed by the registry for violation of campaign finance laws, shall be disqualified from filing for public office until such penalty is paid or the registry rules that settlement has otherwise been made.*

Section 49. KRS 213.190 is amended to read as follows:

(1) The cabinet for human resources shall, upon request, furnish any applicant a certified copy of the record of any birth, death, or other record registered with such cabinet as provided by law when the cabinet is satisfied that the applicant has a direct, tangible and legitimate interest in the information or record requested. Any such certified copy shall be prima facie evidence of the facts therein stated.

(2) The applicant shall pay a reasonable fee set by regulation promulgated by the secretary for human resources which shall not exceed four dollars (\$4) for a copy of a death or other certificate or search of the files, if no copy is found. The applicant shall pay a fee of five dollars (\$5) for a copy of a birth certificate, one dollar (\$1) of which shall be collected for use by the cabinet for human resources for the sole purpose of contracting for the operation of private, not for profit self-help groups for parents who want to prevent or cease their physical, sexual or mental abuse of their children.

(3) No fee or compensation shall be allowed or paid for furnishing certificates of birth or death required in support of any claim against the government for compensation, insurance, back pay or other allowances of any person who has at any time served as a member of the army, navy, marine corps or air force of the United States.

(4) *The cabinet shall notify the state board of elections, monthly, of the name, address, birth date, sex, race, and social security number of residents of the Commonwealth who died during the previous month [On January 1 and July 1 of each year, beginning in 1985, the cabinet for human resources shall furnish to each county clerk the name, address, birth date, sex, race and social security number of each resident of that county who has died since the date the previous data was submitted. The data submitted on January 1, 1985, shall include deaths since July 1, 1984]. Such data shall include only those persons who were over the age of eighteen (18) years at the date of death. No fee or compensation shall be allowed for furnishing such lists.*

Section 50. The following KRS sections are repealed:

116.005 Preservation by county clerk of certain voting records.

116.105 County clerks fees.

116.115 Purge of voter from county roster on notice from state board — Protest hearing.

116.124 County clerk to make available to county board of elections data on deceased residents furnished by cabinet for human resources.

117.005 Preservation by county clerk of certain voting records.

117.185 Election officers, instruction and compensation.

118A.070 Eligibility of voters.

118A.180 Preservation of petitions and certificates.”

Signed by: Sen. Larry Saunders, Sen. Charles Gregory Higdon, Sen. Ed Ford, Sen. Joe Lane Travis; Rep. Marshall Long, Rep. Bill Lear, Rep. William Strong, Rep. Donnie Gedling, Rep. Jerry Bronger.

The above-named members, in separate votes by house, all concur in the provisions of this report.

Representative Gedling moved that **SB 268**, as amended by the Free Conference Committee Report, be passed.

On the roll call the vote was: Yeas 71, Nays 18. (See March 30, 1988 roll call on **SB 268** - Appendix A.)

SB 268, as amended by the Free Conference Committee Report, was passed and the title agreed to.

Representative Gedling moved that the vote by which **SB 268**, as amended by the Free Conference Committee Report, was passed be reconsidered and said motion be placed on the table. Agreed.

Report on Enrolled Bills

The Committee on Enrollment reported **SB 119**, **SB 270**, **SB 280** and **SB 294** had been examined and found correctly enrolled. Said Bills read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate. (Time - 10:40 a.m.)

Representative Stumbo moved that the rules be suspended to consider **SB 300** and **HB 665**. Agreed.

Recess

Representative Stumbo moved that the House recess until 12 noon. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Orders of the Day (continued)

HB 665 taken from Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

Representative Worthington moved the adoption of the following Free Conference Committee Report on **HB 665**.

The free conference committee has met as provided in the rules of the House and Senate and hereby reports the following to be adopted:

A copy of **HB 665** with the following changes:

Incorporate SCA (1) and delete Sections 13 and 14 of the GA copy of **HB 665** in their entirety and renumber the remaining section to conform.

Direct the clerk, on enrollment, to make appropriate section number changes to conform with this report.

Signed by: Sen. Joe Wright, Sen. Ed O'Daniel, Sen. Bill Clouse; Rep. Ken Harper, Rep. Carl Nett, Rep. Pete Worthington.

The above-named members, in separate votes by house, all concur in the provisions of this report.

On the roll call the vote was yeas 56-Ackerson, Ark, Arnold, Barrows, Blandford, Blevins, Bronger, Burch, Callahan, Casebier, L. Clark, Clarke, Crupper, Curd, Cyrus, Donnermeyer, Farrow, Freibert, Gedling, Geveden, Gregory, Hancock, Handy, K. Harper, Hatcher, Hoover, Hourigan, R. Jones, T. Jones, Kerr, Layman, LeMaster, Lile, Long, McBee, Meyer, Moberly, Nett, Noland, O'Brien, Overstreet, Priddy, Pritchett, Richards, B. Richardson, P. Richardson, Riner, Scorsone, Seum, Siler, R. Smith, Stumbo, Todd, Walker, Worthington, Yates, Nays 32-Adkins, Altman, Ballard, J. Brown, Bruce, Castleman, P. Clark, Cline, Deskins, Gray, Guenther, J. Harper, Heleringer, Jackson, Johnson, A. Jones, Lefevers, Little, Lundergan, Lyne, Maggard, Morris, Napier, Noe, Preston, Rapier, Reinhardt, Robinson, B. Smith, Strong, Turner, Will.

The Free Conference Committee Report on **HB 665** was adopted.

Representative Worthington moved that **HB 665**, as amended by the Free Conference Committee Report, be passed.

On the roll call the vote was: Yeas 66, Nays 30. (See March 30, 1988 roll call on **HB 665** - Appendix A.)

HB 665, as amended by the Free Conference Committee Report, was passed and the title agreed to.

Representative Worthington moved that the vote by which **HB 665**, as amended by the Free Conference Committee Report, was passed be reconsidered and said motion be placed on the table. Agreed.

A Conference Committee Report was filed on **SB 130**.

SB 300 taken from Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

Representative Lear moved that the rules be suspended to allow action on the Free Conference Committee Report on **SB 300**. Agreed.

Representative Lear moved the adoption of the following Free Conference Committee Report on **SB 300**. Agreed.

The free conference committee has met as provided in the rules of the House and Senate and hereby reports the following to be adopted:

HCS for **SB 300** with the following changes:

Incorporate HFA T. by amending the title to read, "AN ACT relating to revenue and taxation," and

On page 2, after line 6, by adding the following:

SECTION 2. A NEW SECTION OF KRS CHAPTER 164A IS CREATED TO READ AS FOLLOWS:

The governing board is authorized to establish a "Faculty Retention Fund" into which gifts and grants intended for such purposes may be deposited. The fund shall be used only for purposes related to faculty retention, for example, the payment of bonuses or awards or providing for fringe benefits or permanent salary increases.

SECTION 3. A NEW SECTION OF KRS CHAPTER 161 IS CREATED TO READ AS FOLLOWS:

(1) Notwithstanding the provisions of any other statute to the contrary, effective for tax years beginning after June 30, 1990, any individual or corporation shall be allowed in any taxable year a credit against the taxes imposed under the provisions of KRS 141.020, 141.030 and 141.040. The credit shall be in an amount equal to one hundred percent (100%), prorated as provided in subsection (3) of this Section, of any cash contribution made by an individual, estate trust fiduciary or corporation to a "Faculty Retention Fund" established by a public supported or private institution of higher education, when such contribution is made during the period July 1, 1988 through June 30, 1990, and adjusted as provided in subsection (2) of this Section. In the case of private institutions of higher education, the "Faculty Retention Fund" shall be used only for the purposes specified in Section 2 of this Act.

(2) Only contributions made by the taxpayer during the periods July 1, 1988 through June 30, 1989 or July 1, 1989 through June 30, 1990, respectively, in excess of the amount contributed by the taxpayer to a Kentucky public supported or private institution of higher education during the period July 1, 1987 through June 30, 1988, shall qualify for the credit provided for in subsection (1) of this Section.

(3) The credit provided for in subsection (1) of this section shall not be taken in any taxable year in an amount in excess of fifty percent (50%) of the total tax credit to which the taxpayer is entitled.

(4) The credit provided for in subsection (1) of this Section shall be in lieu of any deduction from gross income to which the individual, estate, trust, fiduciary or corporation is entitled.

SECTION 4. A NEW SECTION OF KRS CHAPTER 161 IS CREATED TO READ AS FOLLOWS:

In order to document contributions to a Faculty Retention Fund for purposes for claiming the tax credit provided for in Section 3 of this Act, the governing board, or in the case of a private institution of higher education the governing body of such institution, shall complete forms prescribed by the Revenue Cabinet which shall show as to each contribution the following:

(1) The name, address and federal identification number of the contributor;

(2) The amount of contribution and the date made; and

(3) The amount of contribution, if any, made by the contributor during the period July 1, 1987 through June 30, 1988.

Direct the clerk, on enrollment, to make appropriate section number changes to conform with this report.

Signed by: Sen. Mike Moloney, Sen. Ed O'Daniel; Rep. bill Lear, Rep. Jim LeMaster.

The above-named members, in separate votes by house, all concur in the provisions of this report.

Representative Lear moved that **SB 300**, as amended by the Free Conference Committee Report, be passed.

On the roll call the vote was: Yeas 71, Nays 13. (See March 30, 1988 roll call on **SB 300** - Appendix A.)

SB 300, as amended by the Free Conference Committee Report, was passed and the title agreed to.

Representative Lear moved that the vote by which **SB 300**, as amended by the Free Conference Committee Report, was passed be reconsidered and said motion be placed on the table. Agreed.

Senate Message

Message received on **SB 130**: The Senate has appointed following members to serve on a Conference Committee on **SB 130**: Senators LeMaster, Weaver and Sexton.

HB 678 returned with the following message: The Senate has refused to concur in the House Amendment to **HB 678** and respectfully returns it with the request that this Honorable Body recede from the Amendment.

The Senate has appointed the following members to serve on a Conference Committee on **HB 678**: Senators Karem, Peniston and Stewart.

HB 319 returned with the following message: The Senate has refused to concur in the House Amendment to **HB 319** and respectfully returns it with the request that this Honorable Body recede from the Amendment.

The Senate has appointed the following members to serve on a Conference Committee on **HB 319**: Senators Ford, Allen and Trevey.

Recess

Representative Stumbo moved that the House recess until 3:00 p.m. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Orders of the Day (continued)

A Free Conference Committee Report was filed on **SB 324**.

A Conference Committee Report was filed on **HB 319**.

A Conference Committee Report was filed on **HB 371**.

The Speaker appointed the following members to serve on a Conference Committee on **HB 764**: Representatives Noe, Chairman; Hancock and Siler.

The Speaker appointed the following members to serve on a Conference Committee on **HB 678**: Representatives Barrows, Chairman; Noe and Freibert.

The Speaker appointed the following members to serve on a Conference Committee on **HB 319**: Representatives Lundergan, Chairman; Noe, Heleringer, Morris and Bruce.

Representative R. Smith moved that the rules be suspended to act upon a Resolution. Agreed.

Representative R. Smith moved the adoption of the following **HR 220**:

HR 220. A RESOLUTION requesting the Legislative Research Commission to study the need for outdoor advertising as it relates to the promotion of tourism in rural areas of the Commonwealth.

WHEREAS, no less than five pieces of legislation were introduced by members of the 1988 General Assembly relating to the relaxation of outdoor advertising requirements within the Commonwealth of Kentucky; and

WHEREAS, in the discussion of this legislation, several interested parties testified that increased advertising along Kentucky highways could increase business for industries related to tourism, which are located along these highways; and

WHEREAS, since outdoor advertising legislation failed during this session, the interim period would provide a perfect opportunity for a legislative committee to review Kentucky's current policy on highway advertising, as well as provide an opportunity to visit other states to determine their policies and problems; and

WHEREAS, based on the interest of many Kentucky business people, members of the General Assembly and state and local tourism officials, outdoor advertising is an issue which will be faced again in the 1990 General Assembly Session;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Legislative Research Commission direct an interim joint committee to study the need for outdoor advertising to promote tourism in the rural areas of the Commonwealth and that such a study include the use of cotton areas in Kentucky.

Section 2. That a copy of this resolution be sent to each member of the Legislative Research Commission and the Director of the Legislative Research Commission.

HR 220 was adopted by voice vote.

Representative Strong moved the rules be suspended to act upon a Legislative Citation. Agreed.

Representative Strong moved the adoption of Legislative Citation No. 138. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby commends and applauds FIRE CHIEF DAVID GASTINEAU for your heroic deeds in rescuing James Napier from a burning car. Without regard for your own safety you immediately went to the aid of another who was trapped in his wrecked car. After working as fast as you could, and receiving burns yourself, you and your companion were finally successful in freeing Napier.

The House of Representatives joins Representative Lonnie Napier in expressing their grateful appreciation for your act of bravery.

Representative Stumbo moved that the rules be suspended to act upon Resolutions. Agreed.

Representative B. Smith moved the adoption of the following **HR 202**:

HR 202. A RESOLUTION honoring Warren East High School Boys' Basketball Team upon its successful 1987-88 season.

WHEREAS, in the showdown on Friday, March 4, 1988, in Scottsville, Kentucky, the Warren East Raiders defeated the Metcalfe Hornets 65-56 to win the Fourth Regional Basketball Championship; and

WHEREAS, the Warren East Raiders ended the 1987-88 basketball season with a memorable 26 victories and a 26 to 7 record; and

WHEREAS, due to its successful 1987-88 season, Warren East Raiders continued on to participate in the 1988 Sweet Sixteen Tournament, held in Louisville, Kentucky, on March 16 through 19, 1988, at which time the Raiders defeated the Oldham County Colonels 58 to 49; and

WHEREAS, the success of the Warren East Raiders this season is attributable to the disciplined and unselfish team play of team members Greg Johnson, Jeff Whitney, Corey Dunn, Brian Compton, Monty Jones, Jon Smith, Ervin Sorrell, James Crain, Keith Crump, Shannon Hill, Paul Carter, Tyron Wardlow, Jason Carter and John Harrell, and managers Eddie Dunn and Dewayne Reid; and

WHEREAS, Warren East High Cheerleaders Suellen Alexander, Julie Anderson, Colette Anderson, Holly Campbell, Lesley Hanson, Kim Thomas, Paula Davies, Janay Crabtree, Julie Wingfield, Kendra Thrasher, Amy Hale and Kamie Florence, and cheerleader sponsor, Caryn Dent, played an important role in the Raiders successful basketball season; and

WHEREAS, Head Coach Tommy Compton and Assistant Coaches Tom Duffer and Blaine Embry must be recognized for their genius as basketball coaches;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House salutes this outstanding basketball team, along with its coaches and cheerleaders, and congratulates them for the distinction they have attained.

Section 2. That the Clerk of the House is directed to transmit copies of this resolution to Warren East High Principal Joe Watkins, 6867 Louisville Road, Bowling Green, Kentucky, 42101, for distribution to the Warren East High Boys' Basketball team, their coaches, cheerleaders and cheerleader sponsor.

HR 202 was adopted by voice vote.

Representative B. Smith moved the adoption of the following **HR 204**:

HR 204. A RESOLUTION honoring Warren East High School Girls' Basketball Team upon their successful 1987-88 season.

WHEREAS, on Friday, March 4, 1988, the Warren East Lady Raiders demonstrated their outstanding abilities by defeating the Warren Central Lady Dragons 62-42, to become the fourteenth district champions; and

WHEREAS, in January, 1988, the Warren East Lady Raiders placed third in the annual Louisville Invitational Tournament; and

WHEREAS, the Warren East Lady Raiders ended the 1987-88 basketball season with a memorable 24 victories and 8 losses; and

WHEREAS, the success of the Warren East Lady Raiders this season is attributable to the disciplined and unselfish team play of team members Michelle Green, Susan Manley, Tammy Amos, Beverly Bunton, Leah Hayes, Leann Pearson, Susan VanArsdale, Angie Anderson, Lenora Carter, Crystal Croslin, Dusty Dennis, Christy Renick, Dana Wilson, Renee Woods and Amy Whitley, and varsity managers Kim Lively, Michelle Parke and Daria Tanaro; and

WHEREAS, Warren East Lady Raiders Cheerleaders Diane Paul, Stacie Baird, Tracey Baird, Jennifer Sledge, Joanna Pruett, Buffy Buckley, Nicole Steele, Angela Bridgeman and Carrie Papproth, and Cheerleader sponsor, Cyndi Morrison, played an integral part in the Lady Raiders' successful basketball season; and

WHEREAS, Head Coach Fred Carter and Assistant Coaches Edwin Moss and Ms. Kami Thomas must be recognized for their genius as basketball coaches;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House congratulates the members of this outstanding basketball team, along with their coaches and cheerleaders, and salutes them for the distinction they have attained.

Section 2. That the Clerk of the House be directed to transmit copies of this resolution to Warren East High School Principal Joe Watkins, 6867 Louisville Road, Bowling Green, Kentucky, 42101, for distribution to the Warren East High School Girls' Basketball Team, coaches, cheerleaders and cheerleader sponsor.

HR 204 was adopted by voice vote.

Representative Stumbo moved that the rules be suspended for Introduction of Resolutions, Report of Committees and Posting of Bills and Resolutions for Consideration. Agreed.

Introduction of Resolutions

HR 223, by Representative Blevins: A RESOLUTION honoring Dr. George T. Young.

HR 224, by Representative K. Harper: A RESOLUTION honoring Representative Mae Hoover.

Orders of the Day (continued)

Representative K. Harper moved the adoption of the following **HR 224**:

HR 224. A RESOLUTION honoring Representative Mae Hoover.

WHEREAS, Representative Mae Hoover has announced her plans to retire from the legislature after serving the present term; and

WHEREAS, Representative Mae Hoover has served her one term in the House with honor and dignity, representing the 53rd District, after the passing of her late husband, Representative Welby Hoover; and

WHEREAS, Representative Mae Hoover has distinguished herself in many ways in her home county, including membership in the Russell County Chamber of Commerce and service as fifth district Governor of the Kentucky Federation of Republican Women; and

WHEREAS, her service to the General Assembly has included membership on the Judicial/Civil and the State Government Committees:

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House salutes Mae Hoover for her outstanding contributions and wishes her every future success.

Section 2. That a copy of this resolution be sent to the House office of Representative Mae Hoover.

HR 224 was adopted by voice vote.

Representative K. Harper moved that a roll call be taken to show co-sponsors of **HR 224**. Agreed.

The following members requested that their names be added as Co-Sponsors of **HR 224**: Ackerson, Adams, Adkins, Allen, Altman, Ark, Arnold, Ballard, Barrows, Blandford, Blevins, Bronger, J. Brown, M. Brown, Bruce, Burch, Callahan, Casebier, Castleman, L. Clark, P. Clark, Clarke, Cline, Crupper, Curd, Cyrus, Deskins, Donnermeyer, Farrow, Ford, Freibert, Gedling, Geveden, Gray, Gregory, Guenthner, Hancock, Handy, J. Harper, K. Harper, Hatcher, Heleringer, Hoover, Hourigan, Jackson, Johnson, A. Jones, R. Jones, T. Jones, Keith, Kerr, Layman, Lear, Lefevers, LeMaster, Lile, Little, Long, Lundergan, Lyne, Mack, Maggard, Mason, McBee, McElroy, Meyer, Moberly, Morris, Napier, Nett, Noe, Noland, Northup, O'Brien, Overstreet, Preston, Priddy, Pritchett, Rapier, Reinhardt, Richards, B. Richardson, P. Richardson, Ridley, Riner, Robinson, Scorsone, Seum, Siler, B. Smith, R. Smith, Strong, Stumbo, Todd, Turner, Walker, White, Will, Worthington, Yates.

A Conference Committee Report was filed on **HB 678**.

Representative Lear moved the rules be suspended to act upon Legislative Citations. Agreed.

Representative Lear moved the adoption of Legislative Citations No. 143 and 144. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby congratulates and applauds TATES CREEK JUNIOR HIGH SCHOOL SPEECH TEAM for the prestigious honor of attaining the Championship of the Kentucky High School Speech League Junior Division Tournament. This is an accomplishment which has required much dedication and has distinguished you among your peers.

The House of Representatives joins Representative Bill Lear in extending sincere congratulations.

The House of Representatives of the Commonwealth of Kentucky hereby congratulates and applauds TATES CREEK JUNIOR HIGH SCHOOL ACADEMIC TEAM for your outstanding performance in winning the 1988 GOVERNOR'S CUP COMPETITION. This is an honor in which Coach Chuck Dean and all the team members can take a great deal of pride and is the result of many long hours of hard work and practice.

The House of Representatives joins Representative Bill Lear in commending you and wishing you success in all your future academic endeavors.

The Speaker appointed the following members to serve on a Conference Committee on **HB 543**: Representatives Moberly, Chairman; Noe and Lile.

Representative Kerr moved that the rules be suspended to act upon a Resolution. Agreed.

Representative Kerr moved the adoption of the following **HR 198**:

HR 198. A RESOLUTION honoring Kentucky Police Officers Dwayne White, Bill Stambaugh, and Firefighter Jeff Ruby.

WHEREAS, Officer Dwayne White's dedication and persistence revealed a man trapped in a fire in what appeared to be a safe empty house; and

WHEREAS, Officer Bill Stambaugh and Firefighter Jeff Ruby came to the scene and the three struggled through suffocating smoke to rescue another; and

WHEREAS, because of these valiant Kentuckians who risked their lives a fellow Kentuckian is alive and recovering;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House of Representatives holds Officers Dwayne White, Bill Stambaugh, and Firefighter Jeff Ruby in the highest regard and esteem.

Section 2. That the members of this honorable body express their profound gratitude to Officers White, Stambaugh and Firefighter Ruby.

Section 3. That the House is honored to recognize Officers White, Stambaugh and Firefighter Ruby to be outstanding citizens and good-will ambassadors of the great Commonwealth of Kentucky.

Section 4. That the Clerk of the House is hereby directed to transmit a copy of this resolution to Officers Dwayne White and Bill Stambaugh of the Independence Police Department and Firefighter Jeff Ruby of the Independence Fire Department.

HR 198 was adopted by voice vote.

Representative Blevins moved that the rules be suspended to act upon a Resolution. Agreed.

Representative Blevins moved the adoption of the following **HR 223**:

HR 223. A RESOLUTION honoring Dr. George T. Young.

WHEREAS, it seems appropriate from time to time for this honorable body to reflect upon the contributions of special Kentucky natives who have enriched the lives of so many people; and

WHEREAS, Dr. George T. Young is a native of Bath County, Kentucky; and

WHEREAS, Dr. George T. Young is a graduate of Centre College in Danville, Kentucky, and Columbia University in New York City, New York; and

WHEREAS, Dr. George T. Young has been a member of the Morehead State University faculty for fifty-six years; and

WHEREAS, Dr. George T. Young was recognized by his colleagues in 1979 with an honorary doctorate degree from Morehead State University; and

WHEREAS, Dr. George T. Young is Professor Emeritus of Government and History, and continues to teach "Kentucky Historic Tours" each year to Morehead State University students; and

WHEREAS, on Thursday, March 31, 1988, the Board of Regents of Morehead State University will honor Dr. George T. Young with the distinguished Founders Day Award for University Service;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That Dr. George T. Young, during his fifty-six years of service to Morehead State University, has demonstrated strong character and is an element of invincible strength to all the lives he has touched.

Section 2. That the House of Representatives hails and commends Dr. George T. Young for the years of dedicated service he has contributed to Morehead State University and the Commonwealth of Kentucky.

Section 3. That the Clerk of the House of Representatives is directed to transmit a copy of this resolution to Dr. C. Nelson Grote, President, Morehead State University, Morehead, Kentucky, 40351.

HR 223 was adopted by voice vote.

Representative Walker moved the rules be suspended to act upon a Legislative Citation. Agreed.

Representative Walker moved the adoption of Legislative Citation No. 141. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby congratulates and applauds COACH NELL FOOKES of the Boone County Lady Rebels for your team's outstanding performance during the basketball season. Your fine overall season record of 29-6 is a tribute to the dedication and hard work which brought you the honor of representing the 9th Region in the 27th Girls State Basketball Tournament held in Frankfort where you advanced to the semi finals. Your contributions to the Lady Rebels have been significant and will be long remembered.

The House of Representatives join Representatives Lawson Walker and Bill McBee in honoring you.

Report on Enrolled Bills

The Committee on Enrollment reported **SB 167** had been examined and found correctly enrolled. Said Bill read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate. (Time - 3:20 p.m.)

Orders of the Day (continued)

Representative Guenther moved the rules be suspended to act upon Legislative Citations. Agreed.

Representative Guenther moved the adoption of Legislative Citation No. 142. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby congratulates and applauds PHIMAR PATTERSON of the Trinity High School Theatre Department for your outstanding participation in the production of MINNIE'S BOYS. This musical comedy, based on the lives of the Marx Brothers, gave your audience a most enjoyable evening of entertainment and showcased the talents of so many.

The House of Representatives joins Representative Louie Guenthner in acknowledging the fine talents of cast and staff alike.

Representative T. Jones moved the adoption of Legislative Citation No. 145. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby recognizes and cites JENNIFER HANCOCK, CHRISTOPHER SHORT, JIMMY MIRACLE, MELINDA NICKEL who have all served this prestigious body as Constitutional Pages for the 1987 and 1988 Legislative Sessions of the General Assembly. All the members owe you a debt of gratitude for the many courtesies you have extended to them as you have performed your assigned duties.

The House of Representatives takes this opportunity to thank you for a job well done and extends its very best wishes to you in all your future endeavors. (Sponsored by Representative T. Jones)

Representative T. Jones moved the adoption of Legislative Citation No. 146. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby recognizes and cites AMY ADAMS, TONYA RUSSELL, AUDREY HAMMOND, JOEY BOWMAN who have served as Full Time Pages for the 1988 Legislative Session of the General Assembly. You have been a great help to the members of this body as you have performed the duties assigned to you.

The House of Representatives takes this opportunity to commend you for the fine job you have done during these past weeks and wishes you success in your future endeavors. (Sponsored by Representative Hancock)

Representative Lundergan moved that the Conference Committee Report on **HB 319** requesting a Free Conference be adopted. Agreed.

The Speaker announced the appointment of the previously appointed members of the Conference Committee to the Free Conference Committee on **HB 319**.

Representative Blevins moved the rules be suspended to act upon Legislative Citations. Agreed.

Representative Blevins moved the adoption of Legislative Citations No. 139 and 140. Agreed.

The House of Representatives of the Commonwealth of Kentucky congratulates and applauds DR. EARLE LOUDER for your many contributions, as a teacher and a musician, which have earned you recognition as the Kentucky Music Educator's Association Teacher of the Year. You are most deserving of this honor as you are an excellent teacher and performer and all ways go that extra mile. Your dedication to your career over the years has touched a great many lives in a very positive way. As has been said of you—you do not teach instruments, you teach people.

The House of Representatives joins Representative Walter Blevins in wishing you continued success in all your future endeavors.

The House of Representatives of the Commonwealth of Kentucky hereby congratulates and applauds THE ROWAN COUNTY COURTHOUSE PRESERVATION COMMITTEE, INCORPORATED for your contributions to the citizens of your community in refurbishing the eighty-nine year old Rowan County Courthouse in Morehead. This beautiful old building is now a museum and center for community distribution and storage. Without your leadership and vision and the involvement of the citizens of Rowan County this difficult project would not have been realized.

The House of Representatives joins Representative Walter Blevins in recognizing you for your efforts.

Representative Stumbo moved that the rules be suspended to introduce and act upon Resolutions. Agreed.

HCR 225, by Representative Stumbo: A CONCURRENT RESOLUTION relating to adjournment.

Representative Stumbo moved the adoption of the following **HCR 225**:

HCR 225. A CONCURRENT RESOLUTION relating to adjournment.

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

Section 1. That when the Senate and the House of Representatives adjourn on the days set forth below they do so to convene again on the days so indicated at a time to be set by motion upon adjournment:

Adjourn on Wednesday, March 30 to convene again on Thursday, March 31;

Adjourn on Thursday, March 31 to convene again on Thursday, April 14.

HCR 225 was adopted by voice vote.

HR 226, by Representative Stumbo: A RESOLUTION adjourning in honor of Martin Brooks Stumbo.

Representative Stumbo moved the adoption of the following **HR 226**:

HR 226. A RESOLUTION adjourning in honor of Martin Brooks Stumbo.

WHEREAS, Martin Brooks Stumbo is a native of Prestonsburg, Kentucky; and

WHEREAS, Martin Brooks Stumbo is the son of Representative Gregory D. Stumbo; and

WHEREAS, Martin Brooks Stumbo will celebrate his eighth birthday on March 31, 1988;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House of Representatives extends fondest birthday wishes to Martin Brooks Stumbo.

Section 2. That when the House of Representatives adjourns this day, March 30, 1988, it does so in honor of Martin Brooks Stumbo.

Section 3. That the Clerk of the House of Representatives is directed to transmit a copy of this resolution to Martin Brooks Stumbo, Fred's Fork, Prestonsburg, Kentucky, 41653.

HR 226 was adopted by voice vote.

Representative Hoover moved the rules be suspended to act upon a Legislative Citation. Agreed.

Representative Hoover moved the adoption of Legislative Citation No. 133. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby recognizes and applauds LYLE REXROAT of the Russell County Jaycees. As a member of this organization you are to be commended for your dedication to your community. The contributions you are making today through your association with this organization will mean a brighter future for tomorrow, not only for your county but for the entire Commonwealth.

The House of Representatives joins Representative Mae Hoover in congratulating you and encouraging you to continue your participation.

Representative Ackerson moved the rules be suspended to act upon a Legislative Citation. Agreed.

Representative Ackerson moved the adoption of Legislative Citation No. 147. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby congratulates and applauds THE WOMEN'S CLUB OF ST. MATTHEWS on the celebration of your 50th Anniversary on April 18, 1988. Your members are to be commended for the countless hours of volunteer service which have been given to your community. With both your cultural and civic activities, a great many lives have been touched over the years.

The House of Representatives joins Representative Jon Ackerson in saluting all members of the Women's Club of St. Matthews.

HB 520, with Senate Amendments attached thereto, taken from the Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

The Senate Floor Amendment No. 3 to **HB 520** is as follows:

Amend printed copy of **HB 520** on page 1, following the enacting clause, to delete all remaining language and to insert in lieu thereof the following:

"Section 1. KRS 281.770 is amended to read as follows:

(1) The commissioner, bureau of state police, is hereby authorized to issue commissions to employes of the bureau as law enforcement officers, and such employes when so commissioned shall have all the powers of peace officers in respect to the enforcement of this chapter and all the statutes and regulations relating to motor vehicles operated as private or for-hire carriers.

(2) Peace officers commissioned as provided herein may be assigned additional duties in enforcing other provisions of law for specified limits of time during an emergency or time of special needs as determined by the commissioner in his discretion.

(3) *The secretary of transportation shall, by official order, require all employes of the bureau commissioned as law enforcement officers who have successfully completed the training course specified by the secretary of transportation, to enforce the provisions of KRS Chapter 189A with regard to any motor vehicle. All officers subject to such order shall have the power and duty to enforce the provisions of KRS Chapter 189A with respect to all motor vehicles, in addition to any other enforcement power which they may possess."*

Representative Lear moved that the House concur in Senate Amendment No. 3 to **HB 520**. Rejected.

Representative Lear moved that the vote by which the House refused to concur in Senate Floor Amendment No. 3 to **HB 520** was rejected be reconsidered and said motion be placed on the table. Agreed.

SB 324 taken from Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

Representative Burch moved the adoption of the following Free Conference Committee Report on **SB 324**. Rejected.

The free conference committee has met as provided in the rules of the House and Senate and hereby reports the following to be adopted:

GA Copy of **SB 324** with the provisions of the GA Copy of **SB 320** attached thereto.

Direct the clerk, on enrollment, to make appropriate section number changes to conform with this report.

Signed by; Sen. W. Quinlan, Sen. Larry Saunders, Sen. John W. Hall; Rep. Mark O'Brien, Rep. Raymond Overstreet, Rep. Tom Burch.

The above-named members, in separate votes by house, all concur in the provisions of this report.

HB 371 taken from Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

Representative Barrows moved that the rules be suspended to act on a Conference Committee Report on **HB 371**. Agreed.

Representative Barrows moved the adoption of the following Conference Committee Report on **HB 371**. Agreed.

The Conference Committee has met as provided in the rules of the House and Senate and hereby reports the following to be adopted:

GA Copy of **HB 371** with the following change:

Incorporate the provisions of SCA (1). The Senate recedes from SCA (2).

Signed by: Sen. Gene Huff, Sen. William Brinkley, Sen. Ed Ford; Rep. Donnie Gedling, Rep. Joe Barrows, Rep. Albert Jones, Rep. Lindy Casebier.

Representative Barrows moved that **HB 371**, as amended by the Conference Committee Report, be passed.

On the roll call the vote was: Yeas 82, Nays 8. (See March 30, 1988 roll call on **HB 371** - Appendix A.) **HB 371**, as amended by the Conference Committee Report, was passed and the title agreed to.

Representative Barrows moved that the vote by which **HB 371**, as amended by the Conference Committee Report, was passed be reconsidered and said motion be placed on the table. Agreed.

Representative Stumbo moved that the rules be suspended for the purpose of making a motion to reconsider. Agreed.

Representative Bronger moved that the rules be suspended to reconsider the vote on **SB 324** and place it in the Orders of the Day, March 31, 1988. Agreed.

Representative Stumbo moved that **HB 896** be recommitted to the Committee on Natural Resources and Environment. Agreed.

Representative Stumbo moved that **HB 549**, **HB 690**, **HB 798**, **HB 922**, **HB 993** and **SB 222** be recommitted to the Committee on State Government.

Motions, Petitions and Communications

Representative Stumbo moved that the rules be suspended for the purpose of making the following motions. Agreed.

Representative Stumbo moved that no other business be conducted on this day other than receiving Senate Messages, Conference Committee Reports, adoption of Conference Committee Reports, appointment of Free Conference Committees upon adoption of Conference Committee Reports that require Free Conferences (members to be the same as previously appointed in Conference Committees).

Representative Stumbo moved that when the House adjourns today, it do so by voice vote. Agreed.

Representative Stumbo moved that when the House adjourns, it do so until 10:00 a.m., Thursday, March 31, 1988. Agreed.

Representative Gedling moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Gedling moved that his vote be changed from "yea" to "nay" on the Free Conference Committee Report **HB 665**. Agreed.

Representative Hoover moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Hoover moved that she be recorded as voting "nay" on **HB 665**. Agreed.

Representative Pritchett moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Pritchett moved that he be recorded as voting "yea" on **SB 300**. Agreed.

Representative Mack moved the rules be suspended for the purpose of recording votes. Agreed.

Representative Mack moved that he be recorded as voting "yea" on **HB 268** and **HB 665**. Agreed.

Representative Riner moved the rules be suspended for the purpose of recording votes. Agreed.

Representative Riner moved that he be recorded as voting "yea" on **HB 20**, **SB 343** and **SB 376**. Agreed.

A Conference Committee Report was filed on **HB 764**.

Recess

Representative Stumbo moved that the House recess until 10:00 p.m. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

A Free Conference Committee Report was filed on **HB 319**.

Representative Stumbo moved that the Conference Committee Report on **HB 678** requesting a Free Conference be adopted. Agreed.

The Speaker announced the appointment of the previously appointed members of the Conference Committee to the Free Conference Committee on **HB 678**.

Representative Stumbo moved that the Conference Committee Report on **HB 764** requesting a Free Conference be adopted. Agreed.

The Speaker announced the appointment of the previously appointed members of the Conference Committee to the Free Conference Committee on **HB 764**.

Adjournment

Representative Stumbo moved that the House adjourn until 10:00 a.m., Thursday, March 31, 1988.

The motion that the House adjourn until 10:00 a.m., Thursday, March 31, 1988 was adopted by voice vote.

THURSDAY, MARCH 31, 1988

FIFTY-SEVENTH LEGISLATIVE DAY

The House was called to order by Speaker Blandford.

Prayer by Dr. Donald A. Nunnally, First Christian Church, Frankfort.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All members present.

Representative McElroy moved that the reading of the Journal of March 30, 1988 be dispensed with and the same approved. Agreed.

A Free Conference Committee Report was filed on **HB 764**.

A Free Conference Committee Report was filed on **HB 516**.

Senate Message

Announcing the passage of **HCR 225**.

HB 764 returned with the following message: The Senate has refused to recede from its Amendment to **HB 764** and is respectfully returning same to this Honorable Body asking for a Conference Committee to be appointed.

The Senate has appointed the following members to serve on the Conference Committee on **HB 764**: Senators Allen, Ford and Trevey.

The Senate has appointed the following members to serve on the Free Conference Committee on **HB 764**: Senators Allen, Ford and Trevey.

Message received on **HB 319**: The Senate has appointed the following members to serve on a Free Conference Committee on **HB 319**: Senators Ford, Allen and Trevey.

Message received in regard to **HB 665**: The Senate has adopted the Free Conference Committee Report on **HB 665** and is notifying this Honorable Body that it has repassed the bill as amended in free conference.

Message received in regard to **HB 371**: The Senate has adopted the Conference Committee Report on **HB 371** and is notifying this Honorable Body that it has repassed the bill as amended in conference.

Message received on **HB 678**: The Senate has appointed the following members to serve on a Free Conference Committee on **HB 678**: Senators Karem, Peniston and Stewart.

Report on Enrolled Bills

The Committee on Enrollment reported **HB 13, HB 81, HB 317, HB 452, HB 458, HB 484, HB 527, HB 583, HB 584, HB 587, HB 629, HB 655, HB 703, HB 715, HB 716, HB 752, HB 754, HB 788, HB 793, HB 808, HB 809, HB 811, HB 835, HB 872, HB 907, HB 910, HB 928, HB 929, HB 939, HB 956, HB 963, HB 987, HB 992, HCR 48, HJR 81 and HCR 92** had been examined and found correctly enrolled. Said Bills and Resolutions read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate. (Time - 10:05 a.m.)

HB 13, HB 81, HB 317, HB 452, HB 458, HB 484, HB 527, HB 583, HB 584, HB 587, HB 629, HB 655, HB 703, HB 715, HB 716, HB 752, HB 754, HB 788, HB 793, HB 808, HB 809, HB 811, HB 835, HB 872, HB 907, HB 910, HB 928, HB 929, HB 939, HB 956, HB 963, HB 987, HB 992,

HCR 48, HJR 81 and HCR 92 delivered to the Senate, signed by the President. Ordered delivered to the Governor.

A Free Conference Committee Report was filed on **HB 678**.

Introduction of Resolutions

HR 227, by Representative Noe: A RESOLUTION requesting the Legislative Research Commission to appoint an interim subcommittee to study High School Athletics appeals process.

HR 228, by Representative Hatcher: A RESOLUTION honoring Senator Georgia Powers.

HR 229, by Representatives Blandford, Stumbo, Worthington, Rapier, Richards, Allen, K. Harper and Lile: A RESOLUTION commending the Legislative Research Commission staff and the General Assembly staff.

HR 230, by Representative B. Smith: A RESOLUTION honoring Warren Central High School Girls' Basketball Team upon their successful 1987-88 season.

Orders of the Day

SB 324 taken from Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

Representative Burch moved the adoption of the following Free Conference Committee Report on **SB 324**. Agreed.

The free conference committee has met as provided in the rules the House and Senate and hereby reports the following to be adopted:

GA Copy of **SB 324** with the provisions of the GA Copy of **SB 320** attached thereto.

Signed by: Sen. W. Quinlan, Sen. Larry Saunders, Sen. John W. Hall; Rep. Mark O'Brien, Rep. Raymond Ovestreet, Rep. Tom Burch.

The above-named members, in separate votes by house, all concur in the provisions of this report.

Representative Burch moved that **SB 324**, as amended by the Free Conference Committee Report, be passed.

On the roll call the vote was: Yeas 99, Nays 0. (See March 31, 1988 roll call on **SB 324** - Appendix A.)

SB 324, as amended by the Free Conference Committee Report, was passed and the title agreed to.

Representative Burch moved that the vote by which **SB 324**, as amended by the Free Conference Committee Report, was passed be reconsidered and said motion be placed on the table. Agreed.

Representative Hatcher moved that the rules be suspended to act upon a Resolution. Agreed.

Representative Hatcher moved the adoption of the following **HR 228**:

HR 228, A RESOLUTION honoring Senator Georgia Powers.

WHEREAS, Senator Georgia Powers has recently announced that she is retiring from her legislative career after twenty years of distinguished service in the General Assembly; and

WHEREAS, her unstinting efforts in the cause of human rights have included involvement in the historic 1964 "March on Frankfort," the organizing of the Kentucky Christian Leadership Conference, and promotion of the ERA; and

WHEREAS, Senator Powers has always been a vigorous champion of the causes of women, children and minorities; and

WHEREAS, her numerous recognitions have included the Kennedy/King award from the Kentucky Young Democrats, the Kentucky State University Alumni Award, the University of Louisville Trustees Appreciation Award and the Kentucky NAACP Award of Recognition; and

WHEREAS, her fellow legislators have long regarded Senator Powers as an enthusiastic and congenial colleague and a persevering champion of human rights;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House of Representatives honors Senator Georgia Powers for her distinguished service and wishes her happiness and success in her future endeavors.

Section 2. That when the House of Representatives adjourns this day, Thursday, March 31, 1988, it does so in honor of Senator Georgia Powers.

Section 3. That Senator Powers be sent a copy of this resolution.

On the roll call the vote was: Yeas 100, Nays 0. (See March 31, 1988 roll call on **HR 228** - Appendix A.)

HR 228 was adopted and title agreed to.

Report on Enrolled Bills

The Committee on Enrollment reported **SB 268**, **SB 300** and **SB 376** had been examined and found correctly enrolled. Said Bills read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate. (Time - 10:25 a.m.)

Orders of the Day (continued)

Representative Noe moved that the rules be suspended to act upon a Resolution. Agreed.

Representative Noe moved the adoption of the following **HR 227**:

HR 227. A RESOLUTION requesting the Legislative Research Commission to appoint an interim subcommittee to study High School Athletics appeals process.

WHEREAS, the state board of education is the policy making body for all public elementary and secondary education in Kentucky; and

WHEREAS, the state board has, by statutory authority, authorized the Kentucky High School Athletic Association to manage the athletic programs; and

WHEREAS, activities related to the Kentucky High School Athletic Association are time consuming, and the State Board of Education hears appeals relative to athletics requiring several hours per year; and

WHEREAS, the members of the state board are professional people who take time from their profession to handle the business of the state board;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Legislative Research Commission appoint an interim subcommittee for the purpose of studying the appeals process on High School Athletics as it relates to the State Board of Education and the Kentucky High School Athletic Association.

Section 2. The subcommittee shall include three members of the Interim Joint Committee on Education, the co-chairmen of the Interim Joint Committee on Education and the co-chairmen of the Interim Joint Committee on State Government.

Section 3. The subcommittee shall develop a report and recommended legislation for the 1990 General Assembly. The report and recommended legislation shall be submitted to the Interim Joint Committee on Education and the Interim Joint Committee on State Government no later than October 1, 1989.

HR 227 was adopted by voice vote.

HB 764 taken from Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

Representative Noe moved the adoption of the following Free Conference Committee Report on **HB 764**. Agreed.

The free conference committee has met as provided in the rules of the House and Senate and hereby reports the following to be adopted:

GA Copy of **HB 764**, incorporating the provisions of SCA's 1 and 2, SFA's 4 and 6, and SCA 3 with the following changes:

On page 41, line 7, after the word "than" by inserting the following: "*one hundred ninety dollars (\$190) effective July 1, 1988; and two hundred dollars (\$200) effective July 1, 1989*"

and on page 41, by striking through and placing brackets around all materials beginning with the word "one" on line 7 and ending with "1987" on line 9;

and by deleting the remainder of Senate Committee Amendment (3).

Direct the clerk, on enrollment, to make appropriate section number changes to conform with this report.

Signed by: Sen. John R. Allen, Sen. John E. Trevey, Sen. Ed Ford; Rep. Roger Noe, Rep. C. M. "Hank" Hancock, Rep. Charles Siler.

The above-named members, in separate votes by house, all concur in the provisions of this report.

Representative Noe moved that **HB 764**, as amended by the Free Conference Committee Report, be passed.

On the roll call the vote was: Yeas 97, Nays 0. (See March 31, 1988 roll call on **HB 764** - Appendix A.)

HB 764, as amended by the Free Conference Committee Report, was passed and the title agreed to.

Representative Noe moved that the vote by which **HB 764**, as amended by the Free Conference Committee Report, was passed be reconsidered and said motion be placed on the table. Agreed.

Representative Stumbo moved that the rules be suspended to act on **HB 516**. Agreed.

HB 516 taken from Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

Representative Clarke that the rules be suspended to allow consideration of the Free Conference Committee Report on **HB 516** according to the rules governing the budget. Agreed.

Representative Clarke moved the adoption of the following Free Conference Committee Report on **HB 516**. Agreed.

The free conference committee has met as provided in the rules of the House and Senate and hereby reports the following to be adopted:

SCS for **HB 516** with the following changes:

Page 1, **TITLE**, by amending the title to read, "AN ACT relating to the operations of government and making appropriations relating thereto."

Page 2, line 5, by deleting the amount "\$4,285,500" and inserting in lieu thereof the amount "\$4,235,500";

Page 2, line 14, by deleting the amount "\$250,000" and inserting in lieu thereof the amount "\$200,000";

Page 2, line 18, by deleting the amount "\$1,871,100" and inserting in lieu thereof the amount "\$1,821,100";

Page 2, line 19, by deleting the amount "\$1,902,400" and inserting in lieu thereof the amount "\$1,852,400";

Page 2, line 21, by deleting the amount "\$500,000" and inserting in lieu thereof the amount "\$250,000";

Page 2, line 22, by deleting the amount "\$500,000" and inserting in lieu thereof the amount "\$250,000";

Page 3, line 1, by deleting the amount "\$6,656,600" and inserting in lieu thereof the amount "\$6,306,600";

Page 3, line 2, by deleting the amount "\$6,506,500" and inserting in lieu thereof the amount "\$6,206,500";

Page 3, line 12, by deleting the amount "\$25,000" and inserting in lieu thereof the amount "\$26,000";

Page 3, line 13, by deleting the amount "\$1,283,600" and inserting in lieu thereof the amount "\$1,544,700";

Page 3, line 14, by deleting the amount "\$1,310,400" and inserting in lieu thereof the amount "\$1,406,000";

Page 3, after line 17, by adding the following:

"The appropriation for fiscal year 1987-88 is reduced by \$26,000.";

Page 3, line 19, by deleting the amount "\$25,000" and inserting in lieu thereof the amount "\$26,000";

Page 3, line 20, by deleting the amount "\$1,327,600" and inserting in lieu thereof the amount "\$1,588,700";

Page 3, line 21, by deleting the amount "\$1,354,400" and inserting in lieu thereof the amount "\$1,450,000";

Page 3, line 23, by deleting the amount "\$3,000,000" and inserting in lieu thereof the amount "\$2,250,000";

Page 3, line 24, by deleting the amount "\$3,846,900" and inserting in lieu thereof the amount "\$3,632,000";

Page 3, line 25, by deleting the amount "\$3,800,000" and inserting in lieu thereof the amount "\$3,518,100";

Page 3, line 26, by deleting the amount "\$601,000" and inserting in lieu thereof the amount "\$1,701,200";

Page 4, line 1, by deleting the amount "\$601,000" and inserting in lieu thereof the amount "\$1,701,200";

Page 4, by deleting lines 9 through 13 in their entirety and inserting in lieu thereof the following:

"Also included in the above appropriation is \$1,000,000 in each fiscal year for the purpose of reimbursing county clerks pursuant to the provisions of Senate Bill 268 as enacted. Any unexpended balance remaining at the close of each fiscal year shall lapse to the credit of the General Fund.

Included in the appropriation for fiscal year 1987-88 is \$2,250,000 which shall be used to pay for the normal and ordinary expenses of the Presidential preference Primary. Payments from this appropriation are authorized only upon receipt of a detailed itemized listing by precinct of actual expenses incurred by the counties for the conduct of the Presidential Preference Primary, presented to the State Board of Elections and approved by the Secretary of the Finance and Administration Cabinet. In no instance shall the amount reimbursed to any county exceed an average of \$695 per precinct."

Page 4, after line 14, by adding the following:

1987-88 \$20,100";

Page 4, line 19, by deleting the amount "\$5,754,000" and inserting in lieu thereof the amount "\$5,849,600";

Page 4, line 20, by deleting the amount "\$5,957,900" and inserting in lieu thereof the amount "\$6,018,900";

Page 4, line 23, by deleting the amount "\$9,112,600" and inserting in lieu thereof the amount "\$9,166,400";

Page 4, line 24, by deleting the amount "\$9,540,800" and inserting in lieu thereof the amount "\$9,597,300";

Page 5, line 1, by deleting the amount "\$10,000,400" and inserting in lieu thereof the amount "\$9,810,400";

Page 5, after line 1, by adding the following:

"Notwithstanding the provisions of KRS 15.765(1), no funds are included in the above appropriation for the purpose of equalizing annual salaries to Commonwealth attorneys not prohibited from the private practice of law.";

Page 5, line 3, by deleting the amount "\$18,435,400" and inserting in lieu thereof the amount "\$18,489,200";

Page 5, line 4, by deleting the amount "\$19,541,200" and inserting in lieu thereof the amount "\$19,407,700";

Page 5, line 6, by deleting the amount "\$2,886,200" and inserting in lieu thereof the amount "\$2,786,200";

Page 5, line 7, by deleting the amount "\$2,962,500" and inserting in lieu thereof the amount "\$2,862,500";

Page 6, line 10, by deleting the amount "\$10,894,500" and inserting in lieu thereof the amount "\$10,873,500";

Page 6, line 11, by deleting the amount "\$11,215,600" and inserting in lieu thereof the amount "\$11,193,700";

Page 6, line 13, by deleting the amount "\$7,056,200" and inserting in lieu thereof the amount "\$7,374,400";

Page 6, line 14, by deleting the amount "\$7,252,700" and inserting in lieu thereof the amount "\$8,054,900";

and after line 14, by adding the following:

"Included in the above appropriation is \$302,200 in each fiscal year for debt service for the Veterans'

Nursing Home at the Wilmore site.”;

Page 6, and after line 19, by adding the following:

“Also included in the above appropriation is \$16,000 in fiscal year 1988-89 for the Civil Air Patrol for the purchase of communications equipment.”;

Page 7, line 4, by deleting the amount “\$250,000” and inserting in lieu thereof the amount “\$200,000”;

Page 7, line 5, by deleting the amount “\$4,603,200” and inserting in lieu thereof the amount “\$4,538,200”;

Page 7, line 6, by deleting the amount “\$4,976,100” and inserting in lieu thereof the amount “\$4,926,100”;

Page 7, line 12, by deleting the amount “\$5,518,800” and inserting in lieu thereof the amount “\$5,788,800”;

Page 8, line 18, by deleting the amount “\$32,260,000” and inserting in lieu thereof the amount “\$31,660,000”;

by deleting lines 24 and 25 in their entirety;

Page 8, line 26, by deleting the words, “through the accelerated tax collection program.”;

Page 9, line 6, by deleting the amount “\$5,410,000” and inserting in lieu thereof the amount “\$5,000,000”;

Page 9, line 7, by deleting the amount “\$5,410,000” and inserting in lieu thereof the amount “\$5,000,000”;

Page 9, line 13, by deleting the amount “\$37,670,000” and inserting in lieu thereof the amount “\$36,660,000”;

Page 9, line 14, by deleting the amount “\$37,400,000” and inserting in lieu thereof the amount “\$36,990,000”;

Page 11, line 13, by deleting the amount “\$1,000,000” and inserting in lieu thereof the amount “\$750,000”;

Page 11, line 14, by deleting the amount “\$1,000,000” and inserting in lieu thereof the amount “\$750,000”;

Page 13, line 18, by deleting the amount “\$2,363,500” and inserting in lieu thereof the amount “\$2,113,500”;

Page 13, line 19, by deleting the amount “\$2,223,500” and inserting in lieu thereof the amount “\$1,973,500”;

Page 14, line 10, by deleting the amount “\$4,185,000” and inserting in lieu thereof the amount “\$3,406,100”;

Page 14, line 11, by deleting the amount “\$139,928,100” and inserting in lieu thereof the amount “\$138,645,900”;

Page 14, line 12, by deleting the amount “\$141,979,500” and inserting in lieu thereof the amount “\$141,391,000”;

Page 14, line 15, by deleting the amount “\$38,158,700” and inserting in lieu thereof the amount “\$38,292,200”;

Page 14, line 16, by deleting the amount “\$43,831,600” and inserting in lieu thereof the amount “\$43,883,700”;

Page 15, line 4, by deleting the amount “\$2,398,400” and inserting in lieu thereof the amount “\$917,200”;

Page 15, line 5, by deleting the amount “\$6,041,600” and inserting in lieu thereof the amount “\$3,930,600”;

Page 15, line 6, by deleting the amount "\$46" and inserting in lieu thereof the amount "\$30";

Page 15, line 7, after the word "authorization" and before the "." by inserting the following:

“; \$851,400 in fiscal year 1988-89 and \$851,400 in fiscal year 1989-90 for debt service payments associated with the \$6.5 million bond authorization for the Covington Riverside Parking Structure; \$296,400 in fiscal year 1988-89 and \$592,800 in fiscal year 1989-90 for debt service payments associated with the \$4.5 million bond authorization for the Owensboro Downtown Development Project; \$134,400 in fiscal year 1988-89 and \$268,800 in fiscal year 1989-90 for debt service payments associated with the \$2 million bond authorization for the Bluegrass Airport Project; \$199,000 in fiscal year 1988-89 and \$398,000 in fiscal year 1989-90 for the debt service payments associated with the \$3 million bond authorization for the Owensboro/Green River Steel Project.

Funds available during the 1988-1990 biennium from the proceeds of economic development bonds shall not be utilized for the acquisition or refinancing of an activity, business or industry in operation as of January 1, 1988 unless specifically authorized by the General Assembly. This restriction shall not prohibit the utilization of such proceeds for the expansion of an activity, business or industry”;

Page 16, line 17, by deleting the amount “\$52,076,900” and inserting in lieu thereof the amount “\$52,210,400”;

Page 16, line 18, by deleting the amount “\$57,754,300” and inserting in lieu thereof the amount “\$57,806,400”;

Page 19, line 19, by deleting the amount “\$10,142,400” and inserting in lieu thereof the amount “\$9,514,600”;

Page 19, line 20, by deleting the amount “\$10,625,700” and inserting in lieu thereof the amount “\$9,923,000”;

Page 20, line 6, by deleting the amount “\$84,432,200” and inserting in lieu thereof the amount “\$84,689,300”;

Page 20, line 22, by deleting the amount “\$10,837,800” and inserting in lieu thereof the amount “\$10,613,100”;

Page 20, line 23, by deleting the amount “\$11,201,100” and inserting in lieu thereof the amount “\$10,804,000”;

Page 21, after line 3, by adding the following new paragraph:

“The Kentucky Department of Education, with assistance from the Kentucky Department of Personnel, shall adopt a salary schedule for administrators at the Kentucky school for the deaf and the Kentucky School for the Blind which will provide for equity in salary between teachers and administrators. The superintendents of the Kentucky School for the Deaf and the Kentucky School for the Blind shall be excluded. The salary schedule for administrators shall be based from the single salary schedule for teachers and shall be implemented by August 1, 1988.”;

Page 21, line 13, by deleting the amount “\$1,071,842,200” and inserting in lieu thereof the amount “\$1,069,705,500”;

Page 21, line 14, by deleting the amount “\$1,114,064,800” and inserting in lieu thereof the amount “\$1,117,355,500”;

Page 21, line 25, by deleting the number, “(6)”, and inserting in lieu thereof the number “(8)”;

Page 25, line 2, by deleting the word, “years”, and inserting in lieu thereof: “year”; and deleting the word and date, “and 1989-90”;

and after line 12, by adding the following new paragraph:

“In fiscal year 1989-90 the allotment to school districts of basic classroom units for grade one (1) shall be made on the basis of one (1) for every twenty-one (21) pupils in average daily attendance, the allotments to school districts for grades two (2) and three (3) shall be made on the basis of one (1) for every twenty-two (22) pupils in average daily attendance, the allotment to school districts for grade four (4) shall be made

on the basis of one (1) for every twenty-five (25) pupils in average daily attendance, the allotment to school districts for grades five (5) and six (6) shall be made on the basis of one (1) for every twenty-six (26) pupils in average daily attendance, and the allotment for grades seven (7) through twelve (12) shall be made on the basis of one (1) for every twenty-seven (27) pupils in average daily attendance.”;

Page 27, line 17, by deleting the amount “\$5,272” and inserting in lieu thereof the amount “\$5,263”;

Page 27, line 17, by deleting the amount “\$5,457” and inserting in lieu thereof the amount “\$5,421”;

Page 30, line 18, by deleting the amount “\$34,122,200” and inserting in lieu thereof the amount “\$34,048,400”;

Page 30, line 19, by deleting the amount “\$34,701,500” and inserting in lieu thereof the amount “\$34,520,300”;

Page 30, line 21, by deleting the amount “\$18,412,300” and inserting in lieu thereof the amount “\$18,322,700”;

Page 30, line 22, by deleting the amount “\$17,065,000” and inserting in lieu thereof the amount “\$16,936,900”;

Page 32, line 6, by deleting the amount “\$53,677,800” and inserting in lieu thereof the amount “\$52,430,400”;

Page 32, line 7, by deleting the amount “\$55,363,100” and inserting in lieu thereof the amount “\$54,117,600”;

Page 32, line 9, by deleting the amount “\$4,994,300” and inserting in lieu thereof the amount “\$4,896,600”;

Page 32, line 10, by deleting the amount “\$5,124,100” and inserting in lieu thereof the amount “\$4,987,400”;

Page 32, line 12, by deleting the amount “\$6,660,300” and inserting in lieu thereof the amount “\$6,543,000”;

Page 32, line 13, by deleting the amount “\$6,214,400” and inserting in lieu thereof the amount “\$6,030,600”;

Page 32, line 15, by deleting the amount “\$6,600,000” and inserting in lieu thereof the amount “\$6,775,000”;

Page 32, line 16, by deleting the amount “\$6,825,000” and inserting in lieu thereof the amount “\$7,006,300”;

Page 32, line 24, by deleting the amount “\$1,390,951,400” and inserting in lieu thereof the amount “\$1,386,512,200”;

Page 32, line 25, by deleting the amount “\$1,456,895,200” and inserting in lieu thereof the amount “\$1,457,649,200”;

Page 33, line 17, by deleting the amount “\$6,364,400” and inserting in lieu thereof the amount “\$6,374,400”;

Page 33, line 18, by deleting the amount “\$6,540,700” and inserting in lieu thereof the amount “\$6,550,700”;

Page 33, after line 21, by adding the following:

“Included in the above appropriation is \$10,000 in fiscal year 1988-89 and \$10,000 in fiscal year 1989-90 to be used to fund internships to train and develop future professionals in the archival field.”;

Page 33, line 23, by deleting the amount “\$4,063,400” and inserting in lieu thereof the amount “\$4,283,400”;

Page 33, line 24, by deleting the amount “\$4,063,400” and inserting in lieu thereof the amount “\$4,313,400”;

Page 33, line 25, by deleting the amount “\$1,445,300” and inserting in lieu thereof the amount “\$1,665,300”;

Page 33, line 26, by deleting the amount “\$1,445,300” and inserting in lieu thereof the amount “\$1,695,300”;

Page 34, line 4, by deleting line 4 in its entirety and inserting in lieu thereof the following:

"level of 32 cents per capita in fiscal year 1989 and 32.8 cents per capita in fiscal year 1990, notwithstanding any";

Page 34, line 10, by deleting the amount "\$135,854,200" and inserting in lieu thereof the amount "\$138,614,200";

Page 34, line 11, by deleting the amount "\$135,080,900" and inserting in lieu thereof the amount "\$138,498,400";

Page 35, line 26, by deleting the amount "\$21,720,100" and inserting in lieu thereof the amount "\$25,720,100";

Page 36, line 1, by deleting the amount "\$31,784,500" and inserting in lieu thereof the amount "\$35,784,500";

Page 36, line 4, by deleting the amount "\$1,573,940,600" and inserting in lieu thereof the amount "\$1,576,491,400";

Page 36, line 5, by deleting the amount "\$1,650,099,900" and inserting in lieu thereof the amount "\$1,658,531,400";

Page 36, line 12, by deleting the amount "\$6,421,400" and inserting in lieu thereof the amount "\$1,582,800";

Page 36, line 13, by deleting the amount "\$6,590,400" and inserting in lieu thereof the amount "\$1,635,100";

Page 37, line 1, by deleting the amount "\$7,534,200" and inserting in lieu thereof the amount "\$2,818,400";

Page 37, line 2, by deleting the amount "\$7,745,300" and inserting in lieu thereof the amount "\$2,912,500";

Page 37, line 7, by deleting the amount "\$6,195,900" and inserting in lieu thereof the amount "\$5,505,200";

Page 37, line 13, by deleting the amount "\$3,208,600" and inserting in lieu thereof the amount "\$2,517,900";

Page 37, line 21, by deleting the amount "\$8,245,300" and inserting in lieu thereof the amount "\$8,035,800";

Page 37, line 22, by deleting the amount "\$9,088,300" and inserting in lieu thereof the amount "\$9,053,600";

Page 37, line 24, by deleting the amount "\$1,516,800" and inserting in lieu thereof the amount "\$2,011,300";

Page 37, line 26, by deleting the words, "mechanical and electrical";

Page 38, line 5, by deleting the amount "\$16,767,000" and inserting in lieu thereof the amount "\$16,557,500";

Page 38, line 6, by deleting the amount "\$20,648,400" and inserting in lieu thereof the amount "\$19,923,000";

Page 38, line 23, by deleting the amount "\$44,466,200" and inserting in lieu thereof the amount "\$44,615,500";

Page 38, line 24, by deleting the amount "\$46,552,100" and inserting in lieu thereof the amount "\$47,251,500";

Page 38, line 26, by deleting the amount "\$3,457,400" and inserting in lieu thereof the amount "\$3,797,400";

Page 39, line 8, by deleting the amount "\$15,397,500" and inserting in lieu thereof the amount "\$15,455,800";

Page 39, line 9, by deleting the amount "\$15,997,200" and inserting in lieu thereof the amount "\$15,990,600";

Page 39, line 19, by deleting the amount "\$26,874,400" and inserting in lieu thereof the amount "\$26,965,500";

Page 39, line 20, by deleting the amount "\$28,484,200" and inserting in lieu thereof the amount "\$28,719,000";

Page 40, line 4, by deleting the amount "\$33,802,100" and inserting in lieu thereof the amount "\$33,894,700";

Page 40, line 5, by deleting the amount "\$35,145,500" and inserting in lieu thereof the amount "\$35,366,700";

Page 40, line 6, by deleting the amount "\$2,977,300" and inserting in lieu thereof the amount "\$3,081,600";

Page 40, line 7, by deleting the amount "\$2,981,300" and inserting in lieu thereof the amount "\$3,189,800";

Page 40, line 15, by deleting the amount "\$24,944,200" and inserting in lieu thereof the amount "\$25,018,700";

Page 40, line 16, by deleting the amount "\$25,908,200" and inserting in lieu thereof the amount "\$26,542,300";

Page 40, line 18, by deleting the amount "\$3,512,500" and inserting in lieu thereof the amount "\$3,970,500";

Page 40, line 21, by deleting the amount "\$233,079,000" and inserting in lieu thereof the amount "\$237,739,600";

Page 40, line 22, by deleting the amount "\$247,109,400" and inserting in lieu thereof the amount "\$253,591,200";

Page 40, line 24, by deleting the amount "\$16,689,900" and inserting in lieu thereof the amount "\$18,079,200";

Page 40, line 26, by deleting the amount "\$4,945,300" and inserting in lieu thereof the amount "\$6,334,600";

Page 41, after line 1, by adding the following new paragraph:

"Included in the above appropriation is \$3,750,000 in fiscal year 1988-89 and \$3,000,000 in fiscal year 1989-90 for the purposes of supporting the state-funded energy research program and maintaining and operating the Energy Complex, located at Ironworks Pike, Lexington. The Commonwealth shall transfer title to the Energy Complex, with the exception of the Administration Building and the land on which it is located, to the University of Kentucky, prior to January 1, 1989.";

Page 41, line 4, by deleting the amount "\$44,198,100" and inserting in lieu thereof the amount "\$43,359,100";

Page 41, line 4, by deleting the amount "\$48,109,000" and inserting in lieu thereof the amount "\$48,743,100";

Page 41, line 7, by deleting the amount "\$113,983,300" and inserting in lieu thereof the amount "\$114,392,000";

Page 41, line 8, by deleting the amount "\$119,694,600" and inserting in lieu thereof the amount "\$120,714,700";

Page 41, line 22, by deleting the amount "\$42,819,100" and inserting in lieu thereof the amount "\$42,978,100";

Page 41, line 23, by deleting the amount "\$45,751,500" and inserting in lieu thereof the amount "\$46,166,300";

Page 42, line 7, by deleting the amount "\$554,380,000" and inserting in lieu thereof the amount "\$560,075,000";

Page 42, line 8, by deleting the amount "\$583,189,700" and inserting in lieu thereof the amount "\$593,519,300";

Page 49, line 10, by deleting the word, "personnel", and inserting in lieu thereof: "troopers and sergeants";

Page 49, line 23, after the word, "that", by adding the word, "any";

and after the word "from", by deleting the words "the purchase" and inserting in lieu thereof the words "savings within appropriations";

Page 49, line 24, by deleting the words, "of gasoline";

Page 50, line 14, by deleting the amount "\$155,100" and inserting in lieu thereof the amount "\$180,100";

Page 50, line 15, by deleting the amount "\$158,900" and inserting in lieu thereof the amount "\$183,900";

Page 50, line 20, by deleting the amount "\$1,609,500" and inserting in lieu thereof the amount "\$1,634,500";

Page 50, line 21, by deleting the amount "\$1,663,600" and inserting in lieu thereof the amount "\$1,688,600";

Page 53, line 2, by deleting the amount "\$385,600" and inserting in lieu thereof the amount "\$364,600";

Page 53, line 3, by deleting the amount "\$402,000" and inserting in lieu thereof the amount "\$371,600";

Page 53, line 17, by deleting the amount "\$484,900" and inserting in lieu thereof the amount "\$448,500";

Page 53, line 18, by deleting the amount "\$460,900" and inserting in lieu thereof the amount "\$447,800";

Page 53, line 26, by deleting the amount "\$8,661,400" and inserting in lieu thereof the amount "\$8,561,400";

Page 54, line 1, by deleting the amount "\$8,880,700" and inserting in lieu thereof the amount "\$8,875,700";

Page 54, line 12, by deleting the amount "\$636,300" and inserting in lieu thereof the amount "\$365,000";

Page 54, line 13, by deleting the amount "\$636,100" and inserting in lieu thereof the amount "\$374,500";

Page 54, line 15, by deleting the amount "\$27,085,200" and inserting in lieu thereof the amount "\$26,656,500";

Page 54, line 16, by deleting the amount "\$27,966,400" and inserting in lieu thereof the amount "\$27,656,300";

Page 55, line 2, by deleting the amount "\$25,841,300" and inserting in lieu thereof the amount "\$27,314,800";

Page 55, line 3, by deleting the amount "\$26,110,700" and inserting in lieu thereof the amount "\$28,241,900";

Page 55, after line 3, by adding the following:

"The Revenue Cabinet shall implement the provisions of KRS 160.621-633 no later than December 31, 1988, within the level of funding provided by this appropriation. The Department of Information Systems shall provide technical support, computer processing time and services at no cost to the Revenue Cabinet.";

Page 55, line 8, by deleting the amount "\$46,387,300" and inserting in lieu thereof the amount "\$47,860,800";

Page 55, line 9, by deleting the amount "\$46,884,000" and inserting in lieu thereof the amount "\$49,015,200";

Page 56, line 1, by deleting the amount "\$4,906,100" and inserting in lieu thereof the amount "\$5,017,700";

Page 56, line 2, by deleting the amount "\$4,961,900" and inserting in lieu thereof the amount "\$5,073,500";

Page 56, line 4, by deleting the amount "\$18,639,300" and inserting in lieu thereof the amount "\$18,666,300";

Page 56, line 5, by deleting the amount "\$18,676,700" and inserting in lieu thereof the amount "\$18,703,700";

Page 56, line 6, by deleting the amount "\$998,400" and inserting in lieu thereof the amount "\$1,025,400";

Page 56, line 7, by deleting the amount "\$1,205,400" and inserting in lieu thereof the amount "\$1,232,400";

Page 56, after line 15, by adding the following new paragraph:

"No part of the above appropriation for operations shall be expended without specific authorization from the Secretary of the Tourism Cabinet.";

Page 56, line 26, by deleting the amount "\$32,967,800" and inserting in lieu thereof the amount "\$33,106,400";

Page 57, line 1, by deleting the amount "\$34,758,700" and inserting in lieu thereof the amount "\$34,897,300";

Page 57, after line 6, by adding the following:

"Included in the above appropriation is \$15,000 in fiscal year 1988-89 and \$15,000 in fiscal year 1989-90 for the U.S. 127 corridor function.";

Page 57, after line 21, by adding the following:

"Included in the above appropriation is \$10,000 in fiscal year 1988-89 and \$10,000 in fiscal year 1989-90 for the operations of the Augusta Ferry in Bracken County.";

Page 57, line 26, by deleting the amount "\$23,329,600" and inserting in lieu thereof the amount "\$24,904,200";

Page 58, line 1, by deleting the amount "\$3,187,462,600" and inserting in lieu thereof the amount "\$3,191,232,800";

Page 58, line 2, by deleting the amount "\$3,335,047,000" and inserting in lieu thereof the amount "\$3,349,158,200";

Page 58, line 3, after the word "is" by inserting the following:

"\$2,353,500 in fiscal year 1987-88,";

Page 58, line 3, by deleting the amount "\$4,528,900" and inserting in lieu thereof the amount "\$4,918,900";

Page 58, line 4, by deleting the amount "\$540,000" and inserting in lieu thereof the amount "\$630,000";

Page 62, line 6, by deleting the amount "\$1,201,600" and inserting in lieu thereof the amount "\$1,301,600";

Page 62, line 7, by deleting the amount "\$1,246,800" and inserting in lieu thereof the amount "\$1,346,800";

Page 64, line 16, by deleting the amount "\$2,960,700" and inserting in lieu thereof the amount "\$3,040,700";

Page 64, line 17, by deleting the amount "\$3,011,800" and inserting in lieu thereof the amount "\$3,174,600";

Page 64, line 21, by deleting the amount "\$1,458,400" and inserting in lieu thereof the amount "\$1,458,200";

Page 67, line 7, by deleting the amount "\$648,900" and inserting in lieu thereof the amount "\$708,900";

Page 67, line 8, by deleting the amount "\$652,900" and inserting in lieu thereof the amount "\$712,900";

Page 68, line 6, by deleting the amount "\$2,015,000" and inserting in lieu thereof the amount "\$2,515,000";

Page 68, line 7, by deleting the amount "\$2,047,000" and inserting in lieu thereof the amount "\$2,547,000";

Page 69, line 23, by deleting the amount "\$591,000" and inserting in lieu thereof the amount "\$546,000";

Page 69, line 24, by deleting the amount "\$586,900" and inserting in lieu thereof the amount "\$540,600";

Page 70, line 17, by deleting the amount "\$27,089,600" and inserting in lieu thereof the amount "\$27,112,600";

Page 70, line 18, by deleting the amount "\$27,803,800" and inserting in lieu thereof the amount "\$27,819,700";

Page 70, after line 18, by adding the following:

"The Department of Information Systems shall provide the Revenue Cabinet with all necessary technical support, computer processing time and services to implement the provisions of KRS 160.621-633 at no cost to the Revenue Cabinet.

The Finance and Administration Cabinet shall be responsible for development of computer systems necessary to carry out the provisions of **HB 283**. The Cabinet's actual and necessary costs of developing such systems shall be recovered from a portion of increased revenues accruing to the General Fund under **HB 283**, not to exceed \$500,000."

Page 71, after line 4, by adding the following new paragraph:

"No agency funds shall be expended for any program during the fiscal year 1988-90 biennium except those expressly contained in the 1988 General Assembly Appropriation Act.";

Page 75, line 11, by deleting the amount "\$5,823,000" and inserting in lieu thereof the amount "\$6,031,200";

Page 75, line 12, by deleting the amount "\$5,500,100" and inserting in lieu thereof the amount "\$5,695,100";

Page 75, after line 21, by adding the following:

"(3) Notwithstanding the provisions of KRS Chapter 342 to the contrary, the Office of the Attorney General shall be responsible for the administration of the uninsured employers' fund and shall be charged with the conservation of the assets of the fund. Funds to reimburse the attorney general's office for expenses incurred in litigation and administration in defense of the uninsured employers' fund shall be transferred upon request of the attorney general's office and approval by the secretary of the labor cabinet.

(4) The Office of the Attorney General shall report monthly to the Interim Joint Committee on Appropriations and Revenue the amount of the agency fund expenditures in each month for the uninsured employers' fund and the nature of such expenditures."

Page 78, line 15, by deleting the amount "\$49,080,400" and inserting in lieu thereof the amount "\$49,482,400";

Page 79, after line 2, by adding the following:

"(3) Notwithstanding the provisions of KRS Chapter 342 to the contrary, the Kentucky Workers' Compensation Funding Commission shall utilize the investment expertise and advice of the Office for Investment and Debt Management rather than entering into a consulting contract for investment counseling. The fees charged by financial institutions for managing the investments of the funds of the funding commission shall be paid from the investment earnings of such funds.

(4) During the 1988-90 biennium the requirement contained in KRS 342.1223 for a report on the actuarial

soundness of the funding mechanism including detailed information on investments and yields thereon may be satisfied by the submission of statements of investment earnings from financial institutions investing the funds of the funding commission and by reports compiled by the staff of the funding commission. However, if the board of directors feels that a critical need exists for contracting for actuarial expertise, the funding commission may contract for such expertise in accordance with KRS Chapter 45 and following notification and review by the Interim Joint Committee on Appropriations and Revenue."

Page 79, line 23, by deleting the word, "may", and inserting in lieu thereof "shall";

Page 84, line 10, by deleting the amount "\$63,100" and inserting in lieu thereof the amount "\$31,700";

Page 92, line 10, after the word "highways." by inserting the following:

" Any provisions of KRS Chapter 186 notwithstanding, all initial applications for special license plates which serve to recognize specific groups or associations shall have a registration fee of fifty dollars (\$50).";

Page 92, line 24, by deleting the amount "\$45,453,000" and inserting in lieu thereof the amount "\$50,803,000";

Page 92, line 25, by deleting the amount "\$47,223,000" and inserting in lieu thereof the amount "\$48,225,000";

Page 93, line 1, by deleting the amount "\$13,901,600" and inserting in lieu thereof the amount "\$16,075,600";

Page 93, line 2, by deleting the amount "\$14,346,000" and inserting in lieu thereof the amount "\$16,658,300";

Page 93, line 4, by deleting the amount "\$502,331,500" and inserting in lieu thereof the amount "\$569,907,500

Page 93, line 5, by deleting the amount "\$526,471,000" and inserting in lieu thereof the amount "\$598,256,700";

Page 93, line 7, by deleting the amount "\$27,484,300" and inserting in lieu thereof the amount "\$51,207,600";

Page 93, line 7, by deleting the amount "\$30,746,100" and inserting in lieu thereof the amount "\$68,593,200";

Page 93, line 14, by deleting the amount "\$18,445,400" and inserting in lieu thereof the amount "\$36,517,100";

Page 93, line 14, by deleting the amount "\$24,200,900" and inserting in lieu thereof the amount "\$37,358,500";

Page 93, line 17, by deleting the amount "\$31,804,500" and inserting in lieu thereof the amount "\$35,704,500";

Page 93, line 17, by deleting the amount "\$31,954,900" and inserting in lieu thereof the amount "\$35,854,900";

Page 93, by deleting lines 19-25 in their entirety;

Page 94, line 23, by deleting the amount "\$57,544,700" and inserting in lieu thereof the amount "\$61,299,500";

Page 94, line 23, by deleting the amount "\$58,836,700" and inserting in lieu thereof the amount "\$62,591,500";

Page 94, line 26, by deleting the amount "\$69,818,000" and inserting in lieu thereof the amount "\$74,363,300";

Page 94, line 26, by deleting the amount "\$71,385,400" and inserting in lieu thereof the amount "\$75,930,700";

Page 95, after line 1, by adding the following:

"Notwithstanding the provisions of KRS 177.320, \$600,000 in fiscal year 1988-89 and \$600,000 in fiscal year 1989-90 is appropriated from the Rural Secondary Road Program's appropriation to create a funding program where local governments who engage in construction-related projects jointly shall be eligible to receive

from this appropriation up to fifty percent of the costs incurred on approved projects.”;

Page 95, line 3, by deleting the amount “\$24,211,800” and inserting in lieu thereof the amount “\$25,792,700”;

Page 95, line 3, by deleting the amount “\$24,755,400” and inserting in lieu thereof the amount “\$26,336,300”;

Page 96, line 14, by deleting the amount “\$596,686,100” and inserting in lieu thereof the amount “\$671,786,100”;

Page 96, line 15, by deleting the amount “\$623,040,000” and inserting in lieu thereof the amount “\$698,140,000”;

Page 96, line 16, by deleting the amount “\$853,700” and inserting in lieu thereof the amount “\$4,853,700”;

Page 97, line 12, by adding “a. “ before the word “Economic”;

Page 97, line 13, by deleting the amount “\$23,000,000” in fiscal year 1988-89 and inserting in lieu thereof the amount “\$7,000,000”;

Page 97, after line 13, by adding the following:

“b. Covington Riverside Parking Structure

Bond Fund	\$6,500,000
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c. Owensboro/Green River Steel

Bond Fund	\$3,000,000
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d. Owensboro/Daviess County Downtown Development Project

Bond Fund	\$4,500,000
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e. Bluegrass Airport

Bond Fund	\$2,000,000”;
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Page 99, line 19, by inserting the amount “\$32,000,000” for fiscal year 1988-89 and deleting the amount \$80,000,000 for fiscal year 1989-90 and inserting in lieu thereof the amount \$112,000,000;

Page 99, after line 19 by inserting the following new paragraph:

“The intent of the General Assembly is not to limit bonds to be sold by the School Facilities Construction Commission beyond the limitations of KRS 157.611 - 157.640.”;

Page 100, line 23,

by deleting the word, “Mechanical”;

by inserting the amount “\$4,429,000” for fiscal year 1988-89 and deleting the amount \$3,000,000 for fiscal year 1989-90;

Page 100, after line 24, by adding the following:

“The bond funds appropriated for the Capitol and Capitol Annex renovation project shall be utilized as

follows: \$3,000,000 shall be used for mechanical and electrical renovations; \$1,429,000 shall be used for renovation of the east end of the Capitol Annex. The funds for the renovation of the east end of the Capitol Annex shall be administered by the Legislative Research Commission. The project authorization is for fiscal year 1988-89 with bonds not to be sold until after January 1, 1989.”:

Page 101, line 1, by deleting the amount “\$25,000,000” and inserting in lieu thereof the amount “\$20,000,000”:

and after line 7, by adding the following:

“Project authorization is for fiscal year 1988-89 with bonds not to be sold until after January 1, 1989.”:

Page 103, after line 17, by adding the following:

“e. Veterans Nursing Home

General Fund (FY 1987-88 \$2,353,500)

Bond Fund

\$ 2,400,000

Federal Fund

8,742,800

Total

\$11,142,800

The fiscal year 1987-88 appropriation of \$2,353,500 shall be segregated and specifically dedicated to project at the Wilmore site, not subject to budget reduction, nor will the appropriation lapse at the end of any fiscal year.”:

Page 103, after line 17, by adding the following:

“3. Secretary of State Computer Upgrade

General Fund

\$48,900

\$48,900

4. State Board of Elections Computer Upgrade

General Fund

\$41,100

\$41,100”;

Page 104, after line 17, by adding the following:

“i. Allied Health Services Building

Bond Fund

\$5,300,000*

* Project authorization in first year but bond sale not allowed until after January 1, 1989 due to timing of debt service payment and the related General Fund appropriation.”:

Page 108, after line 14, by adding the following:

“i. Fine Arts Completion

Bond Fund

\$7,300,000*

* Project authorization in first year but bond sale not allowed until after January 1, 1989 due to timing of debt service payment and the related General Fund appropriation.”:

Page 116, after line 6, by adding the following:

"i. West Kentucky State Vocational Technical School/
Paducah Community College - Allied Health Center

Bond Fund	\$5,350,500*
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j. Hopkinsville Community College - Auditorium

Bond Fund	\$3,400,000*
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k. Somerset Community College - Fine Arts/Community Center

Bond Fund	\$3,200,000*
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l. Somerset Community College - Southern Kentucky Economic
Development Center

Bond Fund	\$1,900,000*
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m. Prestonsburg Community College - Science Building

Bond Fund	\$3,100,000*
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n. Southeast Community College - Falkenstein Renovation

Bond Fund	\$ 275,000*
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o. Southeast Community College - Newman Hall Renovation

Bond Fund	\$ 350,000**;
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Page 116, after line 10, by adding the following:

"p. Madisonville Community College - Auditorium

General Fund	\$ 300,000* **
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Agency Fund	\$ 600,000*
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* The amount appropriated is in addition to amounts previously appropriated for the named project.

** The expenditure of the appropriated funds is contingent upon the receipt and expenditure of agency funds from earmarked, private contributions. The amount of General Fund money expended shall be proportionate to the amount of earmarked, private contributions received and expended on a basis of \$2.00 contributions received and expended for each \$1.00 General Fund money expended.”;

Page 144, line 10, by deleting the amount “\$285,000” and inserting in lieu thereof the amount “\$500,000”;

Page 147, after line 23, by adding the following:

“7. 1-75 Boone County Port of Entry

Road Fund	\$2,000,000
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"8. I-65 South of Bowling Green Port of Entry

Road Fund

\$2,000,000";

Page 153, line 19, after the word "cancelled" by inserting the following:

"or conditions imposed by provisions of this Act are not met,";

Page 153, line 22, after the word "Fund" and before the "." by inserting the following:

"except for the School Facilities Construction Commission";

Page 154, line 1, after the word "Fund." by inserting the following:

"Funds appropriated to the School Facilities Construction Commission in fiscal year 1988-89 beyond those necessary to meet debt service requirements shall be retained in the account of the School Facilities Construction commission and reallocated to eligible school districts in fiscal year 1989-90.";

Page 156, line 9, by deleting the language following the paragraph number "11.";

by deleting lines 10 through 13 in their entirety;

line 14, by deleting the paragraph number "12.";

line 25, by deleting the paragraph number "13." and inserting in lieu thereof the number "12.";

Page 156, line 16, by deleting the amount "\$15,000,000" and inserting in lieu thereof the amount "\$2,000,000";

Page 156, line 16, by deleting the amount "\$20,400,000" and inserting in lieu thereof the amount "\$2,000,000";

Page 157, line 14, by deleting the paragraph number "14." and inserting in lieu thereof the number "13.";

Page 157, after line 18, by adding the following:

"14. There is appropriated from the General Fund in addition to the sums specified in Part I of this Act, the sum of \$3,750,000 in fiscal year 1988-89 and \$7,600,000 in fiscal year 1989-90 to the Teachers' Retirement System for an annual two percent (2%) increment in each such fiscal year for the cost-of-living allowance for retired teachers and each recipient of the retired member, subject to the provisions of KRS 161.620.

15. No funds appropriated in this Act may be expended for any purpose not specifically authorized by the General Assembly in this Act nor may any funds appropriated in this Act be transferred to any cabinet, department, board, commission, institution or agency of state government unless specifically authorized by the General Assembly.

16. No action shall be taken to alter or reorganize the current governing structure of public higher education in Kentucky which provides for institutional governing boards and a statewide coordinating agency.

17. There is hereby appropriated from the General Fund the sum of \$100,000 in each fiscal year to the Legislative Education Planning Commission.

18. There is appropriated from the General Fund in addition to the sums specified in Part I of this Act the sum of \$17,600,000 in fiscal year 1988-89 and \$22,300,000 in fiscal year 1989-90 to the Teachers' Retirement System for additional payment of employer contributions for local school district certified personnel, university personnel and Department of Education personnel.";

Page 158, line 17, by deleting the amount "\$3,200,000" for fiscal year 1988-89 and inserting in lieu thereof

the amount "\$1,800,000";

Page 158, line 17, by deleting the amount "\$3,200,000" for fiscal year 1989-90 and inserting in lieu thereof the amount "\$1,500,000";

Page 158, line 23, after the word "Fund." by inserting the following:

"No further transfer shall be made.";

Page 160, after line 2, by adding the following:

"8. Division of Plumbing	\$250,000	\$250,000
(KRS 318.134, 318.136, 3128.180)"		

Page 161, line 10, after the word "budget" and before the "." by adding the following, "for the Executive Budget";

Page 161, after line 10, by adding the following:

"B. Reductions, if any, by the Legislative Research Commission for the Legislative Branch shall not exceed \$400,000 in fiscal year 1988-89 and \$500,000 in fiscal year 1989-90.

C. Reductions, if any, by the Chief Justice for the Judicial Branch shall not exceed \$750,000 in fiscal year 1988-89 and \$1,000,000 in fiscal year 1989-90.

PART X

AUTHORIZATION FOR BOND ISSUANCE

SECTION 1. A NEW SECTION OF KRS CHAPTER 36 IS CREATED TO READ AS FOLLOWS:

For the purpose of financing the costs of the construction or renovation of Kentucky state veterans' nursing homes and all proper costs necessary or incidental thereto, the department of military affairs is hereby authorized to apply to the state property and buildings commission for the issuance of revenue bonds and to enter into such leases or other financing agreements in respect of the Kentucky state veterans' nursing homes as are necessary or desirable to provide revenues to amortize and secure such revenue bonds.

SECTION 2. A NEW SECTION OF KRS CHAPTER 36 IS CREATED TO READ AS FOLLOWS:

(1) Revenue bonds issued under the provisions of this Act shall state that they are issued pursuant to this Act and to the provisions of KRS Chapters 56 and 58, as applicable. Revenue bonds issued under the provisions of this Act and the interest thereon shall be exempt from all taxation by the Commonwealth and its political subdivisions. Revenue bonds issued under the provisions of this Act shall have and are hereby declared to have all the incidents of negotiable instruments.

(2) The state property and buildings commission, in each resolution authorizing the issuance of revenue bonds under the provisions of this Act, shall determine the following:

(a) The maturity date or dates of the revenue bonds;

(b) The manner in which interest shall be paid thereon;

(c) The terms of redemption applicable thereto; and

(d) Such other particulars of the revenue bonds not contrary to law or inconsistent with this Act.

(3) Notwithstanding the provisions of KRS Chapters 56 and 58, revenue bonds issued under the provisions of this Act may be sold by the state property and buildings commission, and the interest rates to be borne by such bonds shall be determined, in such manner as the state property and buildings commission shall decide, including, without limitation, sale by private negotiation.

(4) No consent of any department, division, commission, board, bureau, or agency of the Commonwealth other than the proceedings, conditions and other things which are specifically required by this Act and KRS Chapters 56 and 58, shall be required for the issuance of revenue bonds under the provisions of this Act.

PART XI

CONTINUATION OF THE BLUEGRASS STATE SKILLS CORPORATION

Section 1. Section 7, Chapter 211, Acts of the 1984 General Assembly is repealed.”

Signed by: Sen. Michael R. Moloney, Sen. Arthur Schmidt, Sen. Charles W. Berger, Sen. Pat McCuiston; Rep. Joe Clarke, Rep. Danny Ford, Rep. Kenny Rapier, Rep. Jody Richards, Rep. Pete Worthington.

The above-named members, in separate votes by house, all concur in the provisions of this report.

Representative Clarke moved that **HB 516**, as amended by the Free Conference Committee Report, be passed.

On the roll call the vote was: Yeas 81, Nays 19. (See March 31, 1988 roll call on **HB 516** - Appendix A.)

HB 516, as amended by the Free Conference Committee Report, was passed and the title agreed to.

Representative Stumbo moved that the vote by which **HB 516**, as amended by the Free Conference Committee Report, was passed be reconsidered and said motion be placed on the table. Agreed.

Representative Stumbo moved that the rules be suspended to act on **HB 678**. Agreed.

HB 678 taken from Orders of the Day. Representative Stumbo moved that it be placed upon its passage. Agreed.

Representative Barrows moved the adoption of the following Free Conference Committee Report on **HB 678**. Agreed.

The free conference committee has met as provided in the rules of the House and Senate and hereby reports the following to be adopted:

GA Copy of **HB 678** with the following changes:

On pages 1 through 5, by deleting Sections 1 and 2 in their entirety and inserting the following in lieu thereof:

“Section 1. KRS 158.650 is amended to read as follows:

As used in KRS 158.660 to 158.750 [~~158.730~~], unless the context otherwise requires:

(1) “Department” means the state department of education;

(2) “Competencies” means the possession of skills, knowledge and understandings to the degree they can be demonstrated or measured;

(3) “Basic skills” means reading, writing, spelling, mathematics, and library research reference skills;

(4) "Product goals" means expected student and school district outcomes as approved by the state board of education;

(5) "Process goals" means systematic and orderly procedures including specific actions and time frames to be followed in achieving product goals;

(6) "Library research reference skills" means the ability to locate and utilize various sources of information;

(7) [~~"Essential skills" means those skills identified in academic subject areas by the state board of education as being necessary for a student to master.~~]

(8) "Standards" means acceptable levels of attainment school districts shall meet in program and service offerings and students shall meet in attaining [~~competencies in~~] the *basic* [~~essential~~] skills as established by the state board of education;

(8)[(9)] "Educationally deficient school districts" means school districts which do not meet minimum standards in program and service offerings or in which insufficient numbers of students meet minimum standards of attainment of *basic* [~~competencies in the essential~~] skills;

(9)[(10)] "Annual performance report" means the report published annually by each local board of education that presents the district's performance with regard to product goals as established by state board of education regulations;

(10)[(11)] "Accreditation report" means the report prepared by a department evaluation team and approved by the state board of education that assesses the availability and adequacy of the resources that are needed in a local school district to provide an adequate education program as defined by state board of education regulation; and

(11)[(12)] "Educational improvement plan" means the plan developed by a local school district in consultation with, and approved by, the state board of education that establishes the process goals to correct identified deficiencies in product goals and is approved by the local board of education and the state board of education.

Section 2. KRS 158.660 is amended to read as follows:

It is the intention of the general assembly in enacting KRS 158.650 to 158.750 [~~158.740~~]:

(1) To assure the right of each student in the public schools of this state to acquire the *basic* [~~competencies in the essential~~] skills *at a level* necessary for completing high school, pursuing a course of study in post secondary education, or entering the work force in our society;

(2) To assure each student in the public schools access to those programs and services appropriate to his educational needs in the *basic* [~~areas of competencies in the essential~~] skills;

(3) To assure that each school district will be held accountable for students in meeting standards of attainment in the *basic* [~~of competencies in the essential~~] skills *areas* and for meeting standards in providing programs and services for students;

(4) To require the state board of education to establish standards by which acceptable levels of attainment shall be determined; and

(5) To require the state board of education to identify school districts which are educationally deficient and to provide such districts with program, financial, and other consultation and assistance as necessary to develop and implement strategies and programs to eliminate deficiencies.

Section 3. KRS 158.670 is amended to read as follows:

The department of education shall administer the provisions of KRS 158.660 to 158.750 [~~158.730~~] pursuant to regulations adopted by the state board of education upon recommendation of the superintendent of public

instruction.

Section 4. KRS 158.680 is amended to read as follows:

There shall be appointed by the governor a state advisory committee for educational improvement in accordance with the following:

(1) The state advisory committee for educational improvement shall be eighteen (18) members broadly representative of citizens, parents, teachers and administrators. Their principal duties shall be to advise the governor, *the state board of education* and *the department* in the implementation of the provisions of KRS 158.660 to 158.750 [~~158.730~~].

(2) All members shall be voting members appointed by the governor and shall serve terms of four (4) years, except that the original appointments will be made as follows:

(a) Five (5) members for four (4) year terms;

(b) Five (5) members for three (3) year terms;

(c) Four (4) members for two (2) year terms; and

(d) Four (4) members for a one (1) year term.

(3) The state advisory committee for educational improvement shall elect a chairman annually from its membership:

(4) The members shall be remunerated for actual and necessary expenses incurred while attending meetings of the state advisory committee for educational improvement or while serving in the capacity as representative of the state advisory committee for educational improvement.

(5) The state advisory committee for educational improvement shall meet at least three (3) times each year at such times and places as it determines by resolution.

Section 5. KRS 158.685 is amended to read as follows:

(1) The state board of education shall establish standards which school districts shall meet in program and service offerings and set forth the minimum performance for students in *the basic* [~~attaining competencies in the essential~~] skills pursuant to KRS 158.660.

(2) The state board of education shall declare a school district to be educationally deficient when, in any school year, the district fails to meet or make satisfactory progress toward meeting minimum program and service standards or an insufficient number of students, as defined by state board of education regulations, fail to attain or fail to make satisfactory progress toward *meeting standards set for* [~~attaining minimum competency in~~] the *basic* [~~essential~~] skills [~~standards~~] established pursuant to subsection (1) of this section.

(3) The superintendent of public instruction, upon approval of the state board of education, shall provide consultation and assistance to any school district which has been declared educationally deficient by the state board of education in eliminating the deficiency. The school districts shall be provided consultation and guidance relative to programs, services, finances, personnel, and any other areas wherein appropriate changes would be reasonably calculated to eliminate or alleviate the deficiency and in developing and implementing an educational improvement plan pursuant to KRS 158.710. Such changes, whenever allowable under Kentucky Revised Statutes, may include more expeditious correction of accreditation report deficiencies, improved personnel administration, more efficient management practices and other administrative and academic actions to improve the local districts' performance.

(4) Failure by an educationally deficient school district to implement the approved educational improvement plan shall be grounds for the superintendent of public instruction, with the concurrence of the state board of education, to intervene in the operation of a local school district and limit the authority of the local superintendent and local board of education to act in the following areas:

- (a) Expenditure of funds;
- (b) Employment and dismissal of personnel;
- (c) Establishment and modification of the school calendar;
- (d) Instructional program and policies;
- (e) Student code of conduct; and
- (f) Other areas as may be designated by state board of education regulation.

(5) Action initiated pursuant to subsection (4)(b) of this section, relative to employment and dismissal of personnel, shall be in accordance with the provisions of KRS 161.720 to 161.810 and 161.990. To facilitate the implementation of the educational improvement plan in an educationally deficient school district, the superintendent of public instruction, with the approval of the state board of education, may require an annual reallocation of an amount not to exceed twenty-five percent (25%) of the power equalization program funds received by the district to address program and service needs outlined in the educational improvement plan.

(6) Failure to implement the educational improvement plan shall constitute grounds for removal from office pursuant to KRS 156.132 to 156.136. This section shall not be deemed to create a statutory cause of action for educational malpractice by students, their parents or guardians.

Section 6. KRS 158.690 is amended to read as follows:

The department shall ~~[develop and]~~ implement a statewide assessment program in accordance with the following:

(1) This program shall be for the purpose of measuring and reporting student progress and achievement in the basic skills in grades three (3), five (5), seven (7) and ten (10) and other product goal and competency areas as determined by the state board of education upon recommendation of the superintendent of public instruction;

(2) Appropriate tests shall be administered annually;

(3) Results of these tests *and testing required in KRS 158.750* shall be compiled on a statewide, district and school basis by the department and shall be reported to the governor, the state advisory committee for educational improvement, the legislative research commission, the state board of education, and local boards of education. ~~[The report of scores for testing required by KRS 158.750 shall be the percent of students mastering each essential skill in each area by grade level.]~~ Local boards of education shall publish in the newspaper with the largest circulation in the county by October 1 of each year an annual performance report on district accomplishments and activities pertaining to product goals including, but not limited to, retention rates and student performance on basic ~~[and essential]~~ skills tests by grade level, the districts' goals for the succeeding year and other items as may be set forth in state board of education regulations; and

(4) The results of these tests shall be used by local boards of education for the development of educational improvement plans and shall not be used for the evaluation of teachers or administrators for the purpose of promotion, demotion, transfer, or dismissal, nor for state ranking of school districts other than by grade level.

Section 7. KRS 158.700 is amended to read as follows:

The department shall assume the following functions in implementing the educational improvement act:

(1) The department shall purchase *standardized nationally-normed* ~~[or cause to be developed]~~ tests appropriate to the Commonwealth of Kentucky for measuring student progress and achievement in the basic skills in grades 3, 5, 7 and 10. These tests shall be reviewed for appropriateness ~~[and shall be modified or revised]~~ as [is] necessary;

(2) [The department shall purchase or cause to be developed tests appropriate to 3rd, 5th, 7th, and 10th grade students in Kentucky for measuring proficiency in other product goal areas as determined by the state board of education upon recommendation of the superintendent of public instruction. These tests shall be reviewed for appropriateness and shall be modified or revised as is necessary;

(3) [The department shall cause to be administered annually, all tests specified in subsection [subsections] (1) [and (2)] of this section to all students in grades 3, 5, 7 and 10 in all of the public schools of the state. The department shall allow local school districts to exempt exceptional children, as defined in KRS 157.200, for whom the tests specified in subsection [subsections] (1) [and (2)] of this section are determined inappropriate because of the nature and severity of the handicapping condition if recommended by the admissions and release committee;

(3) [(4)] The department shall score or cause to be scored all tests specified in subsection [subsections] (1) [and (2)] of this section, compile results for each local school district, and return these results to the appropriate district by August 1 of each year;

(4) [(5)] The department shall, upon the request of a local school district, provide assistance in interpreting test results;

(5) [(6)] The department shall, upon request of a local school district, provide technical assistance in the area of program development and in districts declared educationally deficient by the state board of education, the department shall provide assistance as provided in KRS 158.685(3); and

(6) [(7)] The department shall review and approve local plans for educational improvement consistent with guidelines approved by the state board of education[; and

(8) The department of education shall annually review both state process and product goals and modify when appropriate].

Section 8. KRS 158.710 is amended to read as follows:

Each local school district in the state shall assume the following responsibilities and functions in implementing the provisions of KRS 158.660 to 158.750 [158.730]:

(1) Each local school district shall develop a plan to improve the education of all students in grades 1 through 12. In developing these plans and prior to their approval by the local board of education, local districts shall involve local citizens, parents, students, teachers, and administrators. School districts declared to be educationally deficient by the state board of education under KRS 158.685 shall involve department of education consultants in the development of their plan;

(2) Each local district board of education shall by May 1, 1983, and every three (3) years thereafter, submit to the state department of education for approval a local plan for educational improvement which will be in effect for three (3) years or until such time as it is revised, whichever occurs first. If a plan is revised, succeeding plans will be submitted to the state department of education every three (3) years from the date of revision. School districts declared to be educationally deficient by the state board of education under KRS 158.685 shall submit a plan each year until the deficiency has been eliminated;

(3) Local school personnel shall ascertain areas of strength and areas of needed improvement in the school program as revealed by the test results and other student assessments and with the advice and counsel of the representatives mentioned in subsection (1) of this section, shall develop appropriate programs to address educational areas of needed improvement for grades 1 through 12;

(4) The educational improvement plan developed and submitted by each local school district to the department shall include the following:

(a) Process goals;

(b) Product goals;

- (c) A list of individuals, by occupation, or groups involved in developing the plan;
- (d) The areas of needed improvement as revealed by the district assessment results;
- (e) A list of priorities for program implementation;
- (f) The objectives and activities deemed appropriate and necessary for alleviating the observed educational areas of needed improvement;
- (g) A calendar of events, or timeline, for implementation;
- (h) A brief report, each succeeding year after submission of the initial plan, of the program status and of progress made in areas of needed improvement.

Section 9. KRS 158.730 is amended to read as follows:

To assure effective implementation of KRS 158.650 to 158.750 ~~[158.740]~~, the department shall, upon passage, develop and submit to the governor, the state advisory committee for educational improvement, the legislative research commission, and the state board of education a comprehensive plan for achieving the priorities and programs set forth in KRS 158.685, 158.690, 158.700 and 158.710. Such plan shall include, but not be limited to, the specific responsibilities assigned to the department and local school districts; procedures for involving the state advisory committee for educational improvement; means of utilizing guidance and counseling personnel; implementation procedures for the *basic* ~~[essential]~~ skills testing program; and implementation processes and schedules.

Section 10. KRS 158.740 is amended to read as follows:

KRS 158.650 to 158.750 ~~[158.730]~~ shall be known as "The Educational Improvement Act ~~[of 1978]~~."

Section 11. KRS 158.750 is amended to read as follows:

(1) ~~[By January 1, 1987,]~~ The state board of education shall assure that each pupil in the public schools of the Commonwealth is taught and is mastering the ~~[essential skills necessary to function in each]~~ basic skills ~~[area]~~ defined by KRS 158.650 ~~[to 158.730]~~. The state board of education shall:

(a) ~~[By July 15, 1984,]~~ Determine the ~~[essential]~~ skills necessary for pupils to successfully complete each grade level~~[- The essential skills shall be established for]~~ in each of the basic skills areas established by KRS 158.650 ~~[to 158.730]~~ for kindergarten and grades one (1) through twelve (12), though such ~~[essential]~~ skills established for kindergarten shall not be required for all the basic skills areas. Parents, teachers, administrators and representatives of groups interested in education shall be consulted in determining the ~~[essential]~~ skills. At least every four (4) years, the ~~[essential]~~ skills shall be reviewed and revised if necessary;

(b) ~~[Prior to the 1984-85 school year,]~~ Disseminate the ~~[essential]~~ skills to local school districts and require the ~~[essential]~~ skills be taught to each pupil, at each grade level, in each public school;

(c) *Select a criterion-referenced test or an appropriate standardized norm-referenced test* ~~[By April 1, 1985, develop and disseminate tests to determine mastery of essential skills for mathematics and reading for each grade level to local school districts for administration prior to the end of the 1984-85 school year; tests to determine mastery of essential skills]~~ for all basic skills areas set forth in KRS 158.650 ~~[to 158.730 shall be developed]~~ for kindergarten and grades one (1) and two (2) and disseminate them ~~[each grade level and disseminated]~~ to all local school districts for administration ~~[prior to the end of the 1985-86 school year and]~~ after the one hundred and sixtieth (160th) day and before the one hundred and seventieth (170th) day of instruction ~~[in all school years thereafter through the 1987-88 school year. Following the complete testing and reporting cycle for 1987-88, requirements for administration, scoring and reporting of this test shall no longer be authorized without approval of the general assembly]; and~~

(d) Score or cause to be scored all tests specified in paragraph (c) of this subsection, compile and analyze results, and assist local school districts interpreting tests results and in developing programs to improve academic performance. *The state board of education shall establish cut-off scores in reading and mathematics to determine*

students eligible for remediation in a supplemental classroom unit or to receive the services of a teacher's aide
[Students shall be classified as masters, partial masters and nonmasters of the essential skills].

(2) [The superintendent shall report to the 1988 general assembly on the feasibility and advisability of administering the essential skills test at the beginning of the school year.

(3)] Pupils identified as exceptional children pursuant to KRS 157.200 may be exempt from the requirements of this section if such exemption is in compliance with state board of education regulations and is recommended by the admissions and release committee. Exemptions shall be included in the pupil's individual educational plan.

(3)](4) (a) [Based on the results of the essential skills test,] The department of education shall determine the number and type of units needed for each district to provide a remedial instruction program *based on pupil need using the state board of education standards for test scores* [The department of education shall for the pupils who fail to meet mastery and notify the districts of their tentative allotment based on pupil need]. In the event a greater number of units are needed than are appropriated in the biennial budget, the department of education shall adjust the allotment to districts in a manner which is proportionate to the need as indicated by the [essential skills] test results;

(b) Supplemental classroom units, to include only a salary allotment and current operating expense allotment, as defined in KRS 157.360, shall be allotted to local school districts to provide a remedial instruction program for each thirteen (13) pupils who at the end of their kindergarten, first, or second grade years *fail to meet standards set* [are nonmasters of the essential skills as determined] by the state board of education [regulations]; [and]

(c) A salary allotment for a teacher aide as defined in KRS 161.010(5), shall be allotted for each twenty (20) pupils who at the end of their kindergarten, first, or second grade years *fail to meet standards set* [are partial masters of the essential skills as determined] by the state board of education regulations. The supplemental classroom units allotted under this subsection shall not exceed the units provided in the biennial budget without approval of the governor.[-]

(d) *Each school district shall select pupils to be served by the remedial instruction program who are deficient in the skill areas of reading and mathematics using the following criteria:*

1. *Teacher recommendation;*
2. *Academic performance; and*
3. *Results on the selected test; and*

(e) *In the event that sufficient funds are available, eligible pupils in the third grade may be selected for participation in the remediation program; however all eligible pupils in the first and second grades shall be provided remediation first.*

Section 12. KRS 605.110 is amended to read as follows:

(1) Unless provided otherwise, when any child committed to the cabinet requires medical or surgical care or treatment, the cabinet may provide the same or arrange for the furnishing thereof by other public or private agencies, and may give consent to such medical or surgical treatment. For this purpose, the services and facilities of local health officers and departments shall be made available to the cabinet, and as far as practicable any publicly-owned hospital shall provide hospitalization without charge for any such child who is a resident of the political subdivision by which the hospital is owned or operated. This section does not authorize nor shall permission be granted for abortion or sterilization.

(2) Any child placed in a foster family home by an agency duly authorized in KRS Chapter 620 to place a child in a foster family home shall receive a complete medical, visual, and dental examination by a professional authorized by the Kentucky Revised Statutes to conduct such examinations. Any child placed in a foster family home shall receive such examinations within two (2) weeks of being placed in a foster family home and not less than every twelve (12) months thereafter.

(3) Children maintained in any of the facilities and programs operated by the cabinet shall so far as possible receive a common school education. Those children requiring segregation, restraint or specialized treatment shall be provided supplemental or special education. The department of education, to the extent of available facilities shall assist and cooperate with the department in the educational programs for the facilities and programs. Administrative regulations shall be promulgated by the cabinet in cooperation with the Kentucky department of education regarding the education of children in state agency programs operated or contracted by the cabinet for children requiring services in day treatment, residential facilities, mental retardation facilities and clinical programs. Administrative regulations shall include but not be limited to certification of teachers, curriculum offerings, accreditation, transfer of credits, affected eligibility for sports programs and extra curricular activities, transition to and from local education agencies, use of state agency children's funds, implementation of Public Law 94-142, as amended, in-service training of teachers, supervision and evaluation of teachers, discipline of children, educational assessment which includes *basic* [testing for ~~Kentucky essential~~] skills *testing*, library services, provision and use of state adopted text books, and administrative structure of individual programs.

Direct the clerk, on enrollment, to make appropriate section number changes to conform with this report.

Signed by: Sen. David K. Karem, Sen. Louis Peniston, Sen. Pat Freibert; Rep. Joe Barrows, Rep. Roger Noe.

The above-named members, in separate votes by house, all concur in the provisions of this report.

Representative Barrows moved that **HB 678**, as amended by the Free Conference Committee Report, be passed.

On the roll call the vote was: Yeas 86, Nays 3. (See March 31, 1988 roll call on **HB 678** - Appendix A.)

HB 678, as amended by the Free Conference Committee Report, was passed and the title agreed to.

Representative Barrows moved that the vote by which **HB 678**, as amended by the Free Conference Committee Report, was passed be reconsidered and said motion be placed on the table. Agreed.

Representative Stumbo moved that the rules be suspended to act upon a Resolution. Agreed.

Representative Stumbo moved the adoption of the following **HR 229**:

HR 229, A RESOLUTION commending the Legislative Research Commission staff and the General Assembly staff.

WHEREAS, the Legislative Research Commission and the General Assembly employ staff to serve the needs of the committees and members of the Kentucky General Assembly; and

WHEREAS, the diverse talents of these dedicated individuals comprise many areas of expertise ranging from administrative services to statute revision, staffing standing and special committees of the legislature, computer services, business affairs, education and information request services, legislative library services, constituent assistant services, budget review and program review services, administrative regulations services, public information services, printing and support services; and

WHEREAS, staff performance throughout the interim and especially during the 1988 Session has been responsible, professional and courteous; and

WHEREAS, the staff of the Legislative Research Commission and the General Assembly is recognized for its willingness to go that extra mile to do a first class job;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House of Representatives commends and hails the Staff of the Legislative Research Commission and the General Assembly for their dedication, devotion, diligence, perseverance and sacrifice in their exemplary service to the General Assembly and the citizens of the Commonwealth of Kentucky.

Section 2. That the House proclaims that when it does adjourn this day, Thursday, March 31, 1988, it does so in honor of the Staff of the Legislative Research Commission and the General Assembly.

Section 3. That the House extends a special note of appreciation to the 1988 Legislative Interns, Sarah Ann Barlage, Rita Bowman, Amy Carman, Ginger Cohron, Brian Collins, Melissa Ann Dailey, Dionna Hatfield, Jeffrey Hay, Richard Hulse, Donnie Kidd, Sheridan Martin, Paul McVeigh, Bryan Reed, Raul Tellez and Phillip Wallace.

HR 229 was adopted by voice vote.

The following members requested that their names be added as Co-Sponsors of **HR 229**: Ackerson, Adams, Adkins, Allen, Altman, Ark, Arnold, Ballard, Barrows, Blandford, Blevins, Bronger, J. Brown, M. Brown, Bruce, Burch, Callahan, Casebier, Castleman, L. Clark, P. Clark, Clarke, Cline, Crupper, Curd, Cyrus, Deskins, Donnermeyer, Farrow, Ford, Freibert, Gedling, Geveden, Gray, Gregory, Guenthner, Hancock, Handy, J. Harper, K. Harper, Hatcher, Heleringer, Hoover, Hourigan, Jackson, Johnson, A. Jones, R. Jones, T. Jones, Keith, Kerr, Layman, Lear, Lefevers, LeMaster, Lile, Little, Long, Lundergan, Lyne, Mack, Maggard, Mason, McBee, McElroy, Meyer, Moberly, Morris, Napier, Nett, Noe, Noland, Northup, O'Brien, Overstreet, Preston, Priddy, Pritchett, Rapier, Reinhardt, Richards, B. Richardson, P. Richardson, Ridley, Riner, Robinson, Scorsone, Seum, Siler, B. Smith, R. Smith, Strong, Stumbo, Todd, Turner, Walker, White, Will, Worthington, Yates.

Senate Message

Message received in regard to **HB 764**: The Senate has adopted the Free Conference Committee Report on **HB 764** and is notifying this Honorable Body that it has repassed the bill as amended in free conference.

Message received in regard to **HB 516**: The Senate has adopted the Free Conference Committee Report on **HB 516** and is notifying this Honorable Body that it has repassed the bill as amended in free conference.

Message received in regard to **HB 678**: The Senate has adopted the Free Conference Committee Report on **HB 678** and is notifying this Honorable Body that it has repassed the bill as amended in free conference.

Orders of the Day (continued)

Representative Stumbo moved that no other business be conducted on this day during this order of business other than receiving Simple Resolutions, Legislative Citations and vote changes. Agreed.

Representative Allen moved that the rules be suspended to act upon a Resolution. Agreed.

Representative Allen moved the adoption of the following **HR 211**:

HR 211. A RESOLUTION congratulating the Ohio County High School Girls' Basketball Team upon its successful 1987-88 season.

WHEREAS, the Ohio County Lady Eagles have demonstrated their outstanding abilities by capturing their second straight Third Region crown; and

WHEREAS, the Ohio County Lady Eagles went on to participate in the 1988 Girls' "Sweet Sixteen" State Basketball Tournament, held in Frankfort, Kentucky; and

WHEREAS, on March 23, 1988, during the "Sweet Sixteen" tournament, the Lady Eagles defeated the Fleming-Neon Pirates 57-52, and on March 25, 1988, the Lady Eagles defeated Lexington's Henry Clay Blue Devils 37-36; and

WHEREAS, the success of the Ohio County Lady Eagles this season is attributable to the disciplined

and unselfish team play of team members Stephanie Whitten, Donna Burden, Kerri Hawes, Missi Carter, Debra Riley, Michelle Johnson, Michelle Freeman, Rachel Burdin, Angela Hoagland, Ginger Williams, Beverly Hagan and Stephanie Arnold; and

WHEREAS, Head Coach Scott Lewis and Assistant Coach Christy Higdon must be recognized for their genius as basketball coaches;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House congratulates the members of this outstanding basketball team, along with their coaches, and salutes them for the distinction they have attained.

Section 2. That the Clerk of the House is directed to transmit copies of this resolution to Ohio County High School Principal, Walter Freeman, U.S. 231 South, Hartford, Kentucky, 42347, for distribution to the Ohio County High School Girls' Basketball Team and coaches.

HR 211 was adopted by voice vote.

Representative Allen moved the adoption of the following **HR 231**:

HR 231. A RESOLUTION addressing certain rules and procedures of the Kentucky General Assembly.

WHEREAS, the scheduling of concurrence days results in an inefficient way to conduct the peoples business; and

WHEREAS, the scheduling of concurrence days encourages the practice of piggybacking bills, many of which must be routinely ruled not germane to the subject matter of the bills to which they are attached; and

WHEREAS, current procedures for considering the executive branch budget bill invariably result in the General Assembly not receiving the free conference committee report on the budget until the final legislative day prior to the veto session;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That no days be scheduled exclusively for concurrence during legislative sessions and that all conference committee meetings and concurrence votes be incorporated into legislative days prior to those scheduled for the veto session.

Section 2. That the approval of a simple majority of the House and Senate be required before a bill can be piggybacked onto another bill.

Section 3. That the House and Senate Appropriations and Revenue committees agree upon a schedule for consideration of the executive branch budget by each body that will allow for any conference committee report or free conference committee report on the executive branch budget to be presented to the membership of the General Assembly on or before the 50th legislative day.

Representative Stumbo moved that **HR 231** be laid on the table. Agreed.

Representative B. Smith moved that the rules be suspended to act upon a Resolution. Agreed.

Representative B. Smith moved the adoption of the following **HR 230**:

HR 230. A RESOLUTION honoring Warren Central High School Girls' Basketball Team upon their successful 1987-88 season.

WHEREAS, on Tuesday, March 15, 1988, the Warren Central Lady Dragons demonstrated their outstanding abilities by defeating the Warren East Lady Raiders 67-62, to become the Fourth Region Champions; and

WHEREAS, on Friday, March 4, 1988, the Warren Central Lady Dragons were runners-up in the Fourteenth District Tournament; and

WHEREAS, the Warren Central Lady Dragons ended the 1987-88 basketball season with a memorable 23 victories and 8 losses; and

WHEREAS, the success of the Warren Central Lady Dragons this season is attributable to the disciplined and unselfish team play of team members Lachresha Cotton, Shanna Spurlock, Kim Talley, Jenni Payne, Lynn Sharer, Sherita Lively, Shirley Forshee, Julie Capps, Shawna Ferstl, Cathy Parker and Sherry Byrd, and managers Christy Lindsey, Darlene Wisdom, Jennifer Lindsey, Tara Wood and Crissy Goodman; and

WHEREAS, Warren Central Lady Dragons Cheerleaders Tammy Stevens, Robyn Allen, Jennifer Beller, Stephanie Downs, Terra Jewell, Joanna Madison, Emily Payne and Jenifer Perry, and Cheerleading Sponsors Laura Reynolds, Connie Guelde and Stephanie Hall played an integral part in the Lady Dragons successful basketball season; and

WHEREAS, Head Coach Vanons Lloyd and Assistant Coaches Gayle Spurlock and Todd Tolbert must be recognized for their genius as basketball coaches;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House congratulates the members of this outstanding basketball team, along with their coaches and cheerleaders, and salutes them for the distinction they have attained.

Section 2. That the Clerk of the House be directed to transmit copies of this resolution to Warren Central High School Principal, David Crowe, 559 Morgantown Road, Bowling Green, Kentucky, 42101, for distribution to the Warren Central High School Girls' Basketball Team, coaches, cheerleaders and cheerleaders sponsors.

HR 230 was adopted by voice vote.

Representative Barrows moved the rules be suspended for the purpose of recording votes. Agreed.

Representative Barrows moved that he be recorded as voting "yea" on **HB 687, HB 360, HB 665 and SB 268**. Agreed.

Representative Barrows moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Barrows moved that he be recorded as voting "nay" on **HB 283**. Agreed.

Representative Guenthner moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Guenthner moved that he be recorded as voting "yea" on **SB 268**. Agreed.

Representative Bruce moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Bruce moved that his vote be changed from "nay" to "yea" on **HB 452**. Agreed.

Representative Morris moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Morris moved that his vote be changed from "yea" to "nay" on **SB 294**. Agreed.

Representative Bruce moved the rules be suspended for the purpose of recording a vote. Agreed.

Representative Bruce moved that his vote be changed from "yea" to "nay" on **SB 294**. Agreed.

Representative Stumbo moved that from this point in time on this day no further business be conducted except Enrollment of Bills and Resolutions, receiving Senate Messages and adjournment. Agreed.

Representative Stumbo moved that when the House adjourns this day, it do so by voice vote. Agreed.

Representative Stumbo moved that when the House adjourns this day, it do so until 4:00 p.m., Thursday, April 14, 1988. Agreed.

Recess

Representative Stumbo moved that the House recess until 2:00 p.m. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Report on Enrolled Bills

The Committee on Enrollment reported **HB 12, HB 371, HB 516, HB 665, HB 678 and HB 764** had been examined and found correctly enrolled. Said Bills read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate. (Time - 2:00 p.m.)

HB 12, HB 371, HB 516, HB 665, HB 678 and HB 764 delivered to the Senate, signed by the President. Ordered delivered to the Governor.

Report on Enrolled Bills

The Committee on Enrollment reported **SB 324** had been examined and found correctly enrolled. Said Bill read at length, compared and signed in open session by the Speaker. Ordered delivered to the Senate. (Time - 2:20 p.m.)

Adjournment

Representative Stumbo moved that the House adjourn until 4:00 p.m., Thursday, April 14, 1988.

The motion that the House adjourn until 4:00 p.m., Thursday, April 14, 1988 was adopted by voice vote.

THURSDAY, APRIL 14, 1988

FIFTY-EIGHTH LEGISLATIVE DAY

The House was called to order by Speaker Blandford.

Invocation by Harlan Boys Choir under the direction of David Daviess, Harlan, Kentucky.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All members present.

Representative McElroy moved that the reading of the Journal of March 31, 1988 be dispensed with and the same approved. Agreed.

Message from the Governor

Announcing veto of **HB 484, HB 516, HB 517, HB 564, HB 711, HB 973 and HB 977.**

The veto message on **HB 484** is as follows:

Pursuant to the authority vested in me by Section 88 of the Constitution of the Commonwealth of Kentucky, I, Wallace G. Wilkinson, Governor of the Commonwealth of Kentucky do hereby veto House Bill 484. The enrolled bill unduly restricts farm owners and their employees in their ability to care for and medically treat their animals without first establishing a veterinary/client/patient relationship. For example it is an accepted practice in the horse industry for the owner or employees of the owner to use nonprescribed tranquilizers on their animals, especially prior to the animal being transported to a new location. House Bill 484 would prohibit that practice. There has been no evidence offered that this practice is detrimental to the welfare of the animals.

Signed by:

Wallace G. Wilkinson, Governor
Commonwealth of Kentucky
April 11, 1988

The veto message of **HB 516** is as follows:

Pursuant to the authority vested in me by Section 88 of the Constitution of the Commonwealth of Kentucky, I, Wallace G. Wilkinson, Governor of the Commonwealth of Kentucky, hereby veto:

Line item #1 on pages 43 and 44. This provision of House Bill 516 directs the transfer of the Energy Complex to the University of Kentucky. No consideration is stated in House Bill 516 for the transfer. No explanation is given as to how this transfer would be limited to the life of the Appropriations Bill. A transfer of real property is not germane and should not be affected through an Appropriations Bill.

Line item #2 on page 101. This item provides for the appropriation of \$11,100,000 in 1988-89 and \$11,300,000 in 1989-90 for the Debt Payment Acceleration Fund account to accelerate the payoff of Turnpike Authority Bonds. There is no evidence that the retirement of outstanding bonds will result in savings to the Commonwealth. No road bonds will be issued over the next biennium. Normal repayment schedules along with some \$20 million already in the Debt Acceleration Fund will work to reduce road fund debt. Road bonds to be retired by the Debt Acceleration Fund generally carry interest coupons below today's debt costs. These funds can be better utilized by the Secretary of Transportation in either building or maintaining Kentucky's highways and rural roads.

Line item #3 on page 107. This item would have assigned renovation oversight for part of the Capitol Annex project to the Legislative Research Commission. I have already vetoed House Bill 973 wherein the LRC sought to usurp 70,000 square feet of Capitol Annex space without providing an appropriation either for relocation, construction, or leasing costs, or complying with its own real property laws. The usurpation by LRC of the responsibility assigned the Finance and Administration Cabinet to oversee all capital construction is violative of separation of powers. Moreover, LRC has absolutely no experience or expertise in administering

any capital construction project of any variety.

Line item #4 on pages 167 and 168. This item would purport to prohibit any reorganization of the current governing structure of higher education over the biennium. Such a prohibition on reorganization power of the Governor is not germane to an Appropriations Bill.

Line item #5 on pages 166 and 167. This 14.7 billion dollar biennial budget provides for a budget reserve trust fund of only \$2,000,000 each year of the biennium. With only a nominal reserve it is imprudent to make contingent appropriations of any revenues which exceed the estimate. The budget reserve trust fund needs to be rebuilt to provide funds for emergencies like natural disasters or federal court orders pertaining to our prisons, and to protect us from possible revenue shortfalls over the biennium. Throughout the past decade, these unforeseen expenditures have consistently exceeded the meager appropriation made to the budget reserve trust in this bill. Lastly, our preliminary analysis indicates that this budget is already out of balance. As a result, it is of critical importance to insure that revenue in excess of our estimate be utilized to restore and maintain a balanced budget.

Signed by:

Wallace G. Wilkinson, Governor
Commonwealth of Kentucky
April 11, 1988

The veto message on **HB 517** is as follows:

Pursuant to the authority vested in me by Section 88 of the Constitution of the Commonwealth of Kentucky, I, Wallace G. Wilkinson, Governor of the Commonwealth of Kentucky do hereby veto House Bill 517. This bill would eliminate the present incentive for state police to seek and accept positions of increased responsibility. The effect of the legislation would be to reduce compensation of employees in temporary positions in retirement benefits. Temporary promotions involve increased responsibility and relocation. The increase in pay and resulting increase in benefits has been compensation for the added responsibility and relocation. Reduction of the compensation would eliminate incentive to accept the positions. State compensation policies will be inconsistent. This legislation will carve out an exception to state compensation policies. No other class of state employees will have retirement contributions and benefits calculated in this manner, thus creating an inequitable situation for any impacted employees.

Signed by:

Wallace G. Wilkinson, Governor
Commonwealth of Kentucky
April 8, 1988

The veto message on **HB 564** is as follows:

Pursuant to the authority vested in me by Section 88 of the Constitution of the Commonwealth of Kentucky, I, Wallace G. Wilkinson, Governor of the Commonwealth of Kentucky do hereby veto House Bill 564. The House Amendment would effectively preclude numerous insurance carriers currently authorized to do business in Kentucky from selling liability, property, and workers' compensation insurance coverage to county governments. The state's local finance officer is not in a position to make a judgment as to whether or not an insurer has sufficient capital and reserves to pay all potential claims against it. The reduction in competition resulting from this bill would inevitably lead to higher costs to county governments for such coverage.

Signed by:

Wallace G. Wilkinson, Governor
Commonwealth of Kentucky
March 15, 1988

The veto message on **HB 711** is as follows:

Pursuant to the authority vested in me by Section 88 of the Constitution of the Commonwealth of Kentucky, I, Wallace G. Wilkinson, Governor of the Commonwealth of Kentucky do hereby veto House Bill 711. This bill creates an advisory board to review projects submitted by local governments to repair and construct eligible roads and bridges. Six people have been designated as members of the advisory board. They receive no compensation; however, they are to be reimbursed for any expenses incurred as the result of board meetings. Select projects would be funded with \$600,000 of rural Secondary money for each year of the biennium.

Through the Department of Rural and Municipal Aid, procedures are already in place to participate with local units of government in funding eligible road and bridge projects on matching bases. Procedures are also in place for cooperative agreements for the various units of local government and the Transportation Cabinet in the construction and reconstruction of roads and bridges on a matching basis.

I fail to see where House Bill 711 would provide any enhancement to existing programs and in any way expedite and improve service to our local governmental units and to their constituents. It would appear that another level of bureaucracy is being implemented by House Bill 711 that in my opinion is not needed.

Signed by:

Wallace G. Wilkinson, Governor
Commonwealth of Kentucky
April 8, 1988

The veto message on **HB 973** is as follows:

Pursuant to the authority vested in me by Section 88 of the Constitution of the Commonwealth of Kentucky, I, Wallace G. Wilkinson, Governor of the Commonwealth of Kentucky do hereby veto House Bill 973. This bill requires the Finance and Administration Cabinet to assign to the legislative branch an additional 70,000 square feet of office space in the east end of the Capitol Annex. While I appreciate and understand the need for additional office space for the legislative branch, this bill will create severe budgeting problems for the agencies required to relocate because of this legislation.

The impact of this legislation will require the Commonwealth to lease 70,000 square feet of private office space in Franklin County. This runs contrary to an LRC study on state office needs and will cost the Commonwealth an additional \$600,000 per year in rent.

The General Assembly has also failed to budget monies to relocate agencies whose space it usurps under **HB 973**. Despite a request by the Finance and Administration Cabinet, no funds were included to relocate impacted agencies in **HB 516** though funds were included to completely renovate legislative offices.

In addition to the \$1,200,000 this bill will cost the executive branch in relocation costs there is an authorization of over \$1,400,000 to renovate the annex for the legislative offices. In a time of budgetary restraint, it is imprudent for government to expand the amount of space it occupies or the number of people employed or to expend the amount of money required to implement this legislation.

The General Assembly may well require substantial additional office space in Franklin County. To secure additional offices, the General Assembly should follow state procedures and its own study recommendations by constructing or leasing its own building after first appropriating the necessary funds.

Signed by:

Wallace G. Wilkinson, Governor
Commonwealth of Kentucky
April 8, 1988

The veto message on **HB 977** is as follows:

Pursuant to the authority vested in me by Section 88 of the Constitution of the Commonwealth of Kentucky, I, Wallace G. Wilkinson, Governor of the Commonwealth of Kentucky do hereby veto House Bill 977. This bill requires the Finance Cabinet or the Revenue Cabinet, upon request by the Legislative Research Commission, or any subcommittee thereof, to conduct tax and economic studies and to produce the information generated by such studies in the format desired by the commission or subcommittee within the time frame set by the commission or subcommittee. The executive branch is committed to cooperation with the Legislative Research Commission and its subcommittees in every way possible in providing them information and data they desire and need. However, this legislation goes well beyond that spirit of cooperation and violates the separation of powers doctrine enunciated in *Legislative Research Commission vs. Brown, Ky.*, 664 SW2d 907 (1984) at 916 where the court concurs in the trial courts ruling "that the LRC could not, because of the separation of powers doctrine, exercise any supervision over the executive branch."

Signed by:

Wallace G. Wilkinson, Governor
Commonwealth of Kentucky
April 9, 1988

Senate Message

Announcing the passage of **SCR 188**.

Introductions of Resolutions

HR 232, by Representatives Blandford and Stumbo: A RESOLUTION honoring Representative Mike Dmitrich.

HR 233, by Representatives Blandford and Stumbo: A RESOLUTION adjourning the House of Representatives in memory and honor of Billy R. Howard.

HR 234, by Representative Burch: A RESOLUTION commending those individuals whose jobs contributed to the smooth operation of the 1988 General Assembly.

HR 235, by Representative Rapiere: A RESOLUTION adjourning in honor of J. S. Moran.

Motions, Petitions and Communications

Representative Stumbo moved that the rules be suspended to act upon Resolutions. Agreed.

Representative Stumbo moved the adoption of the following **HR 232**:

HR 232. A RESOLUTION honoring Representative Mike Dmitrich.

WHEREAS, Utah's House Minority Leader, Representative Mike Dmitrich, is our special guest today; and

WHEREAS, Representative Dmitrich has served eighteen years in the Utah House, eight in leadership, six as minority leader; and

WHEREAS, Representative Dmitrich has served sixteen years on the Higher Education Committee and ten years on the Natural Resources Committee; and

WHEREAS, economic development and fair and consistent taxation rank high among his legislative priorities;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House offers a warm welcome to Representative Mike Dmitrich, extending him privileges of the floor, and expressing its wish that his stay in Kentucky will be a pleasant one.

Section 2. That a copy of this resolution be sent to Representative Mike Dmitrich, State Capitol, Salt Lake City, Utah, 84114.

HR 232 was adopted by voice vote.

Representative Stumbo moved the adoption of the following **HR 233**:

HR 233. A RESOLUTION adjourning the House of Representatives in memory and honor of Billy R. Howard.

With deepest respect and heartfelt sorrow, we pay homage and tribute to our friend, Billy R. Howard, who departed this life on Sunday, April 10, 1988; and

WHEREAS, Billy R. Howard was born November 27, 1932, in Hueysville, Floyd County, Kentucky, son of the late Stewart and Thelma Conley Howard; and

WHEREAS, Billy R. Howard unselfishly dedicated many years of service toward improving education in Kentucky while serving in the capacity as teacher for the Floyd County School System, principal for the Boyd County School System, as Director/Liaison for the Department of Education, Council on Higher Education, and served as bureau head for the Bureau of Vocational Education; and

WHEREAS, Billy R. Howard assisted in creating the Literacy and Vocational Education program in the Kentucky Correctional System while serving as supervisor for the Kentucky State Reformatory; and

WHEREAS, Billy R. Howard rendered invaluable assistance to the legislative process while serving as analyst for the House of Representatives during the 1986 General Assembly and as supervisor of analysts during the 1988 General Assembly; and

WHEREAS, Billy R. Howard served his country with distinction in the United States Army; and

WHEREAS, Billy R. Howard was the devoted husband of Kathern G. Howard and loving father of Teresa H. Wasson and John D. Howard; and

WHEREAS, all who knew and admired Billy R. Howard sorely grieve over the loss of a warm and compassionate person who had the ability to instill trust and confidence in his fellow man;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the members of the House of Representatives hereby express their profound sense of bereavement and loss upon the untimely passing of our friend, Billy R. Howard.

Section 2. That when the House of Representatives of the General Assembly of the Commonwealth of Kentucky adjourns this day, Thursday, April 14, 1988, it does so in loving memory and honor of Billy R. Howard.

Section 3. That the Clerk of the House of Representatives is directed to transmit a copy of this resolution to Mrs. Kathern G. Howard, 302 Lyons Drive, Frankfort, Kentucky, 40601.

HR 233 was adopted by voice vote.

Representative Stumbo moved that a call of the roll be taken to show co-sponsors of **HR 233**.

The following members requested that their names be added as Co-Sponsors of **HR 233**: Ackerson, Adams, Adkins, Allen, Altman, Ark, Arnold, Ballard, Barrows, Blandford, Blevins, Bronger, J. Brown, M. Brown, Bruce, Burch, Callahan, Casebier, Castleman, L. Clark, P. Clark, Clarke, Cline, Crupper, Curd, Cyrus, Deskins, Donnermeyer, Farrow, Ford, Freibert, Gedling, Geveden, Gray, Gregory, Guenther, Hancock, Handy, J. Harper, K. Harper, Hatcher, Heleringer, Hoover, Hourigan, Jackson, Johnson, A. Jones, R. Jones, T. Jones, Kerr, Layman, Lear, Lefevers, LeMaster, Lile, Little, Long, Lyne, Mack, Maggard, Mason, McBee, McElroy, Meyer, Moberly, Morris, Napier, Nett, Noe, Noland, O'Brien, Overstreet, Preston, Priddy, Pritchett, Rapier, Reinhardt, Richards, B. Richardson, P. Richardson, Ridley, Riner, Robinson, Scorsone, Seum, Siler, B. Smith, R. Smith, Strong, Stumbo, Todd, Turner, Walker, White, Will, Worthington, Yates.

Representative Morris moved that the rules be suspended to introduce and act upon a Resolution. Agreed.

HR 239, by Representative Morris and Bruce: A RESOLUTION proclaiming 1988 as the "Year of the Trail of Tears".

Representative Morris moved the adoption of the following **HR 239**:

HR 239. A RESOLUTION proclaiming 1988 as the "Year of the Trail of Tears."

WHEREAS, from earliest history, the Commonwealth of Kentucky was a part of the territory of the Cherokee Indian Nation; and

WHEREAS, the Cherokees were forcibly removed from their ancestral homes in the southeast part of our country to Indian territory in the West, now known as Oklahoma; and

WHEREAS, the removal route known as the "Trail of Tears" passed through Western Kentucky; and

WHEREAS, Chief White Path, a great Cherokee warrior chief, and Chief Fly Smith died and were buried in Hopkinsville, Kentucky, a major campground along the Trail of Tears; and

WHEREAS, 1988 marks the 150th anniversary of the Trail of Tears; and

WHEREAS, to commemorate this event, the City of Hopkinsville will host a celebration in May and in September, 1988, and the dedication and blessing of the site for a Trail of Tears Commemorative Park will be held in May, 1988, in Hopkinsville;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House of Representatives proclaims 1988 as the "Year of the trail of Tears" and solicits support of all Kentuckians for this celebration.

Section 2. That the clerk of the House is directed to transmit copies of this resolution to Senator Wendell Ford, Senator Mitch McConnell, Congressman Carroll Hubbard, Congressman William H. Natcher, Congressman Romano L. Mazzoli, Congressman Jim Bunning, Congressman Harold Rogers, Congressman Larry Hopkins, Congressman Carl C. Perkins, Mayor Thomas F. Gates, Mayor of Hopkinsville, County Judge/Executive Frank Gary, Christian County, and the Trail of Tears Commission Board, Hopkinsville, Kentucky.

HR 239 was adopted by voice vote.

Representative Noe moved the rules be suspended to act upon a Legislative Citation. Agreed.

Representative Noe moved the adoption of Legislative Citation No. 149. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby congratulates and applauds HARLAN BOYS CHOIR for your many years of outstanding performances. Since your inception in 1965, you have distinguished yourselves throughout this state, the nation and abroad. One of your many noteworthy achievements being the winning of the 1972 International Festival. You have entertained and brought great pleasure to scores of people over the years and gained an excellent reputation of which all who have participated in the choir can derive a great deal of pride.

The House of Representatives joins Representative Roger Noe in recognizing you and wishing you much success in all your future endeavors.

Representative Heleringer moved that the rules be suspended to introduce and act upon a Resolution. Agreed.

HR 241, by Representative Heleringer: A RESOLUTION honoring Paul Morton Young.

Representative Heleringer moved the adoption of the following **HR 241**:

HR 241. A RESOLUTION honoring Paul Morton Young.

WHEREAS, Paul Morton Young was assistant coach for St. Xavier High School, Louisville, Kentucky, from 1961 to 1969; and

WHEREAS, Paul Morton Young stepped down as coach in 1969 to become full-time athletic director at St. Xavier; and

WHEREAS, during Paul Morton Young's successful teaching tenure, he taught physical education, health, geometry, algebra, and business law; and

WHEREAS, this educator and athletic director was selected four times as Assistant Coach of the Year in Jefferson County; and

WHEREAS, this talented man was chosen twice as State of Kentucky Athletic Director; and

WHEREAS, Paul Morton Young received two National Association Athletic Awards at both the state and regional levels; and

WHEREAS, among Paul Morton Young's many awards is the prestigious National Interscholastic Administration Association Award and National Federation of High School Athletic Directors Award; and

WHEREAS, Paul Morton Young is a loving husband to his wife, the former Dorcilla Ramsey, and a devoted father to his two sons, Arthur and Dean;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the members of this honorable body recognize and commend the dedication and devotion of Paul Morton Young.

Section 2. That the House of Representatives hails the exceptional service of Paul Morton Young.

Section 3. That the House commends Paul Morton Young for his remarkable career and wishes him continued success and happiness upon his retirement.

Section 4. That the Clerk of the House of Representatives is directed to transmit a copy of this resolution to Paul Morton Young.

HR 241 was adopted by voice vote.

Representative Strong moved that the rules be suspended to introduce and act upon a Resolution. Agreed.

HR 240, by Representative Strong: A RESOLUTION to adjourn in memory of Sam Hager Lindon.

Representative Strong moved the adoption of the following **HR 240**:

HR 240. A RESOLUTION to adjourn in memory of Sam Hager Lindon.

With heartfelt sorrow and with deepest respect we pay homage and tribute to the memory of our native son, Sam Hager Lindon.

WHEREAS, Sam Hager Lindon, or "Fat" as he was affectionately called by all his friends, gave sixty years of hard work to Kentucky Democrats; and

WHEREAS, Sam Hager Lindon was known as "Mr. Perry County Democrat"; and

WHEREAS, at the tender age of seventeen, Sam Hager Lindon began his political career as a campaign worker for Al Smith in his bid to defeat Herbert Hoover; and

WHEREAS, Sam Hager Lindon demonstrated his great leadership as he climbed up the political ladder; and

WHEREAS, the distinguished Sam Hager Lindon managed the Perry County campaign for almost every winning democratic governor; and

WHEREAS, everyone who came in contact with Sam Hager Lindon loved him because a mutual trust and respect developed almost instantaneously; and

WHEREAS, Sam Hager Lindon's generosity and affable manner will be solely missed by those who had the good fortune of being associated with him; and

WHEREAS, the House of Representatives laments the loss of Sam Hager Lindon;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House expresses its profound grief over the loss of Sam Hager Lindon.

Section 2. That when the House of Representatives of the General Assembly of the Commonwealth of Kentucky does adjourn this day, Thursday, April 14, 1988, it does so in memory of Sam Hager Lindon.

Section 3. That the Clerk of the House is directed to send a copy of this resolution to Mrs. Donna Combs Lindon and family.

HR 240 was adopted by voice vote.

Representative Long moved that the rules be suspended to introduce and act upon a Resolution. Agreed.

HR 238, by Representative Long: A RESOLUTION honoring the centennial year of Waddy, Kentucky.

Representative Long moved the adoption of the following **HR 238**:

HR 238. A RESOLUTION honoring the centennial year of Waddy, Kentucky.

WHEREAS, Major W. L. Waddy donated land to the Southern Railroad a century ago for a right-of-way and a depot; and

WHEREAS, the community of Waddy was thus established there, with its post office opening on August 22, 1888; and

WHEREAS, Waddy, Kentucky is pleasingly situated in the beautiful rolling hills of Shelby County; and

WHEREAS, though small in size, Waddy attracts considerable local attention with its annual Harvest Festival, featuring the popular Waddy Harvest Run;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House salutes the citizens of Waddy, Kentucky, upon the occasion of their centennial celebration.

Section 2. That when the House adjourns this day, Friday, April 15, 1988, it does so in honor of Waddy, Kentucky.

Section 3. That a copy of this resolution be sent to the Waddy Centennial Committee, c/o Robert Spencer, Route 2, Waddy, Kentucky, 40076.

HR 238 was adopted by voice vote.

Representative Rapier moved that the rules be suspended to act upon a Resolution. Agreed.

Representative Rapier moved the adoption of the following **HR 235**:

HR 235. A RESOLUTION adjourning in honor of J. S. Moran.

WHEREAS, for more than fifty years, J. S. Moran was owner, editor and publisher of the Springfield Sun newspaper in Springfield, Kentucky; and

WHEREAS, J. S. Moran has been editor-emeritus of the Springfield Sun newspaper since 1973; and

WHEREAS, his column "Through My Bifocals" has been most informative and entertaining to citizens for many years; and

WHEREAS, J. S. Moran has led a distinguished career in journalism for more than seventy years; and

WHEREAS, J. S. Moran was one hundred years of age on Wednesday, April 13, 1988; and

WHEREAS, it is J. S. Moran Week in Washington County and Wednesday, April 13, 1988 was J. S. Moran Day in Springfield, Kentucky

NOW, THEREFORE.

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House of Representatives hails J. S. Moran for the many contributions he has afforded the citizens of his community and the Commonwealth of Kentucky.

Section 2. That when the House of Representatives adjourns this day, Thursday, April 14, 1988, it does so in honor of J. S. Moran.

Section 3. That the Clerk of the House of Representatives is directed to transmit a copy of this resolution to Mr. J. S. Moran, Springfield Sun newspaper, Springfield, Kentucky, 40069.

HR 235 was adopted by voice vote.

Representative Rapier moved that the rules be suspended to introduce and act upon a Resolution. Agreed.

HR 236. by Representative Rapier: A RESOLUTION requesting the Legislative Research Commission to study alternatives for financing infrastructure resulting from new development.

Representative Rapier moved the adoption of the following **HR 236**:

HR 236. A RESOLUTION requesting the Legislative Research Commission to study alternatives for financing infrastructure resulting from new development.

WHEREAS, rapid growth through the influx of new residents and new constructions impose increased capital costs on local and state governments, and the amount of federal aid to local and state governments

to accommodate growth and development is being reduced; and

WHEREAS, it is the purpose of the state's local planning and zoning enabling acts to facilitate and accommodate orderly growth and development by providing methods of regulating development to meet increased demands for community service facilities; and

WHEREAS, accommodating infrastructural demands of new development in a fiscally responsible and orderly fashion has become a major statewide planning and land development issue; and

WHEREAS, the legislatures of several states have successfully enacted legislation enabling local and state governments to recoup from new development an equitable share of the costs of providing new community service facilities for new inhabitants, occupants and construction; and

WHEREAS, it is within the best interests of the Commonwealth and its political subdivisions that all avenues of financing new infrastructure be fully explored, studied and reported to the General Assembly;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the Legislative Research Commission is requested to conduct a study of the methods for financing new infrastructure currently provided by state law, and to explore additional and alternative approaches utilized elsewhere which may be transferrable to the Commonwealth, including the use of special development assessments, impact fees and other types of land use exactions to finance off-site infrastructure needs.

Section 2. That a final report of this study's findings along with any recommendations, including proposed legislation, shall be made available to the Legislative Research Commission by October 31, 1989.

Section 3. Staff services to be utilized in the preparation of this study are estimated to cost \$15,000, which shall be provided from the regular commission budget, subject to the limitations and other research responsibilities of the Commission.

HR 236 was adopted by voice vote.

Representative Burch moved that the rules be suspended to act upon a Resolution. Agreed.

Representative Burch moved the adoption of the following **HR 234**:

HR 234, A RESOLUTION commending those individuals whose jobs contributed to the smooth operation of the 1988 General Assembly.

WHEREAS, the Kentucky State Police are commended for the excellent security they provided to the General Assembly during the 1988 legislative session; and

WHEREAS, Building Superintendents and staff responsible for the capitol and capitol annex buildings unselfishly gave invaluable assistance during the 1988 legislative session; and

WHEREAS, Transportation Services rendered worthwhile assistance in providing extra cars and four-wheel vehicles during inclement weather of the 1988 legislative session; and

WHEREAS, the Building Services Construction Branch must be recognized for the time and effort involved toward the capitol annex renovation project prior to the 1988 legislative session; and

WHEREAS, the 1988 General Assembly has benefitted from the tireless efforts of the Capitol Annex Cafeteria staff to provide prompt and courteous service during this legislative session;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House of Representatives is proud to commend these individuals for their outstanding assistance rendered to the 1988 General Assembly.

Section 2. That the Clerk of the House is hereby directed to transmit copies of this resolution to Sgt. Clyde Wyatt, Trooper Ed Robinson, Sgt. Charles Cornette, Trooper Pat Zalone, Det. Paul Lane, Sgt. Mike Sapp and Det. Joe Smith, Department of State Police, 919 Versailles Road, Frankfort, Kentucky, 40601, to Mr. Donnie Haydon and Mr. Danny Clark and their staff, Facilities Management, The State Capitol, Frankfort, Kentucky, 40601, to Mr. Carl Holbrook and his staff, Transportation Services, Room 702, State Office Building, Frankfort, Kentucky, 40601, to Mr. Lowery Kincaid, Mr. David Newnam, Mr. Bill Turner, Mr. Danny Hardin, Mr. Robin Bailey, Mr. Greg Vance, Mr. Charles Redmon, Mr. Marvin Gibson, Mr. Joe Cummins, Mr. Robert Howard, Mr. Rodney Long, Mr. Frank Lewis, Mr. Jim Chevront, Mr. Garnett Thurman, Mr. Henry Thurman, Mr. Kent Dodson, Mr. Steve Redmon, Mr. Stan Bibb and Mr. Cecil Franklin, Building Services, Construction Branch, 701 Holmes Street, Frankfort, Kentucky, 40601, and to Mr. Tony Gowin, Ms. Mary Sutherland and their staff, Capitol Annex Cafeteria, Capitol Annex, Frankfort, Kentucky 40601.

HR 234 was adopted by voice vote.

Representative Deskins moved the rules be suspended to act upon a Legislative Citation. Agreed.

Representative Deskins moved the adoption of Legislative Citation No. 154. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby commends WILLIAM BALL for the exceptional interest shown in the operation of state government. The House of Representatives encourages you to maintain your interest in the Commonwealth for it is good citizens with concern for the improvement of our state that will make the future brighter for our children and grandchildren.

Representative Blevins moved the rules be suspended to act upon a Legislative Citation. Agreed.

Representative Blevins moved the adoption of Legislative Citation No. 153. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby congratulates and applauds SUZY AND L. H. OWENS on the celebration of your 50th Wedding Anniversary. In your many years together since your marriage on February 4, 1938, you have been an inspiration to those around you in so many different ways. The beauty of your marriage shows in the lives of your children Carla Sue and E. B. Sharing life's joys and sorrows for 50 years is the ultimate in living the good life and it is our wish that God's blessings will be with you for many years to come.

The House of Representatives joins Representative Walter Blevins in wishing you a Happy Anniversary.

Announcements

The Clerk announced the following meetings:

Majority Caucus, April 15, 1988, State Reception Room, upon Recess.

Minority Caucus, State Reception Room, today upon adjournment.

Adjournment

Representative Stumbo moved that the House adjourn until 10:00 a.m., Friday, April 15, 1988.

On the roll call the vote was yeas 76-Adams, Adkins, Allen, Altman, Ark, Arnold, Ballard, Blandford, J. Brown, M. Brown, Bruce, Burch, Callahan, Castleman, L. Clark, P. Clark, Clarke, Cline, Crupper, Curd, Cyrus, Donnermeyer, Farrow, Ford, Freibert, Gedling, Gray, Gregory, K. Harper, Hatcher, Hoover, Hourigan,

Jackson, Johnson, T. Jones, Keith, Kerr, Layman, Lear, Lefevers, Lile, Little, Long, Lyne, Mack, Maggard, Mason, McBee, McElroy, Meyer, Moberly, Napier, Nett, Noe, Noland, O'Brien, Priddy, Pritchett, Rapier, Reinhardt, Richards, B. Richardson, Ridley, Riner, Robinson, Scorsone, Siler, B. Smith, R. Smith, Strong, Stumbo, Turner, Walker, White, Worthington, Yates. Nays 9-Blevins, Bronger, Casebier, Deskins, Hancock, LeMaster, Preston, P. Richardson, Will.

The motion to adjourn was adopted.

FRIDAY, APRIL 15, 1988

FIFTY-NINTH LEGISLATIVE DAY

The House was called to order by Speaker Blandford.

Prayer by Dr. James Wagner, South Frankfort Presbyterian Church, Frankfort.

The Speaker led the members in the Pledge of Allegiance to the Flag.

The roll was called. All members present.

Recess

Representative Stumbo moved that the House recess for thirty minutes for a Majority Caucus meeting in the State Reception Room. Agreed.

At the appointed hour, the Speaker resumed the Chair and called the House to order.

Representative McElroy moved that the reading of the Journal of April 14, 1988 be dispensed with and the same approved. Agreed.

Orders of the Day

Representative Stumbo moved that **HB 973** be taken from Orders of the Day for consideration of the Governor's veto. Agreed.

Representative Worthington moved that **HB 973** be placed upon its passage, the Governor's veto notwithstanding.

On the roll call the vote was: Yeas 64, Nays 32. (See April 15, 1988 roll call on **HB 973** - Appendix A.)

The motion that **HB 973** be passed, the Governor's veto notwithstanding, was adopted.

HB 973 was passed over the Governor's veto.

Representative Stumbo moved that the vote by which **HB 973** was passed, the Governor's veto notwithstanding, be reconsidered and said motion be placed on the table. Agreed.

Representative Stumbo moved that **HB 516** be taken from Orders of the Day for consideration of the Governor's veto. Agreed.

Representative Clarke moved that the Governor's line veto No. 1 of **HB 516** be overridden.

On the roll call the vote was yeas 63-Ackerson, Adams, Altman, Ark, Arnold, Barrows, Blevins, Burch, Casebier, Clarke, Cyrus, Deskins, Donnermeyer, Ford, Geveden, Gray, Gregory, Guenthner, Hancock, Handy, J. Harper, K. Harper, Hatcher, Heleringer, Hoover, Hourigan, Jackson, Johnson, A. Jones, R. Jones, T. Jones, Keith, Kerr, Lear, Lile, Little, Long, Mack, Mason, McElroy, Meyer, Moberly, Noe, Noland, Northup, O'Brien, Preston, Priddy, Rapier, Reinhardt, Richards, B. Richardson, Ridley, Robinson, Scorsone, Seum, Siler, B. Smith, Stumbo, Todd, Turner, Will, Worthington. Nays 27-Adkins, Allen, Ballard, Blandford, Bronger, J. Brown, Bruce, Callahan, Castleman, L. Clark, Cline, Curd, Farrow, Freibert, Layman, LeMaster, Lundergan, Maggard, McBee, Morris, Nett, Overstreet, Pritchett, Riner, R. Smith, Strong, Walker.

The motion that the Governor's line veto No. 1 of **HB 516** be overridden, was adopted.

Representative Clarke moved that the Governor's line veto No. 2 of **HB 516** be overridden.

On the roll call the vote was yeas 61-Ackerson, Ark, Arnold, Barrows, M. Brown, Burch, Casebier, L. Clark, P. Clark, Clarke, Cline, Crupper, Curd, Deskins, Donnermeyer, Ford, Freibert, Gedling, Geveden, Gregory, Guenthner, Hancock, Handy, J. Harper, K. Harper, Hatcher, Heleringer, Hoover, Hourigan, Jackson, Johnson, A. Jones, R. Jones, T. Jones, Kerr, Lear, LeMaster, Lile, Little, Long, Mack, Mason, McElroy, Meyer, Moberly, Nett, Noe, Noland, O'Brien, Priddy, Pritchett, Rapier, Reinhardt, Ridley, Scorsone, Siler, Walker, White, Will, Worthington, Yates. Nays 34-Adkins, Allen, Altman, Ballard, Blandford, Blevins, Bronger, J. Brown, Bruce, Callahan, Castleman, Cyrus, Farrow, Gray, Keith, Layman, Lefevers, Lundergan, Lyne, Maggard, McBee, Morris, Napier, Northup, Overstreet, Preston, Richards, B. Richardson, Riner, B. Smith, R. Smith, Strong, Todd, Turner.

The motion that the Governor's line veto No. 2 of **HB 516** be overridden was adopted.

Representative Clarke moved that the Governor's line veto No. 3 of **HB 516** be overridden.

On the roll call the vote was yeas 65-Ackerson, Adams, Adkins, Ark, Arnold, Blevins, M. Brown, Burch, Casebier, L. Clark, P. Clark, Clarke, Cyrus, Deskins, Donnermeyer, Gedling, Gray, Guenthner, Hancock, Handy, J. Harper, K. Harper, Hatcher, Heleringer, Hoover, Jackson, Johnson, A. Jones, T. Jones, Keith, Kerr, Lear, Lefevers, LeMaster, Lile, Little, Long, Lundergan, Lyne, Mack, Mason, McBee, McElroy, Meyer, Moberly, Nett, Noe, Noland, Northup, O'Brien, Priddy, Rapier, Reinhardt, Ridley, Robinson, Scorsone, Seum, Siler, B. Smith, Strong, Stumbo, Todd, White, Will, Worthington. Nays 31-Allen, Altman, Ballard, Barrows, Blandford, J. Brown, Bruce, Callahan, Castleman, Cline, Crupper, Curd, Farrow, Ford, Freibert, Geveden, Hourigan, R. Jones, Layman, Maggard, Napier, Overstreet, Preston, Pritchett, Richards, B. Richardson, Riner, R. Smith, Turner, Walker, Yates.

The motion that the Governor's line veto No. 3 of **HB 516** be overridden was adopted.

Representative Clarke moved that the Governor's line veto No. 4 of **HB 516** be overridden.

On the roll call the vote was yeas 60-Ackerson, Adams, Adkins, Ark, Barrows, Blandford, Blevins, Burch, Casebier, Clarke, Crupper, Cyrus, Deskins, Donnermeyer, Farrow, Ford, Freibert, Geveden, Gregory, Guenthner, Hancock, Handy, J. Harper, Hatcher, Heleringer, Hoover, Jackson, A. Jones, R. Jones, T. Jones, Kerr, Lear, LeMaster, Little, Long, Lyne, Mack, Maggard, Mason, McElroy, Meyer, Moberly, Noe, Noland, Northup, O'Brien, Priddy, Pritchett, Rapier, Reinhardt, Richards, B. Richardson, Ridley, Scorsone, B. Smith, Stumbo, Turner, White, Will, Worthington. Nays 29-Allen, Altman, Arnold, J. Brown, Bruce, Callahan, Castleman, L. Clark, Cline, Curd, Gray, K. Harper, Hourigan, Keith, Layman, Lile, Lundergan, McBee, Morris, Napier, Nett, Overstreet, Preston, Riner, Robinson, R. Smith, Strong, Todd, Walker.

The motion that the Governor's line veto No. 4 of **HB 516** be overridden was adopted.

Representative Clarke moved that the House concur in Governor's line veto No. 5 on **HB 516**.

Representative Clarke moved that the motion that the House concur in the Governor's line veto No. 5 of **HB 516** be withdrawn. Agreed.

Representative Stumbo moved that **HB 517** be taken from Orders of the Day for consideration of the Governor's veto. Agreed.

Representative Farrow moved that **HB 517** be placed upon its passage, the Governor's veto notwithstanding.

On the roll call the vote was: Yeas 74, Nays 9. (See April 15, 1988 roll call on **HB 517** - Appendix A.)

The motion that **HB 517** be passed, the Governor's veto notwithstanding, was adopted.

HB 517 was passed over the Governor's veto.

Representative Crupper moved that the House not override the Governor's veto of **HB 484**. Agreed.

The Governor's veto of **HB 484** was sustained.

Representative Crupper recommended an interim study of **HB 484**.

Representative Arnold moved that the House not override the Governor's veto of **HB 564**. Agreed.

The Governor's veto of **HB 564** was sustained.

Representative Arnold recommended an interim study of **HB 564**.

Representative Hancock moved that the House not override the Governor's veto of **HB 711**. Agreed.

The Governor's veto of **HB 711** was sustained.

Representative Clarke moved that the House not override the Governor's veto of **HB 977**. Agreed.

The Governor's veto of **HB 977** was sustained.

Representative Barrows moved the rules be suspended to act upon Legislative Citations. Agreed.

Representative Barrows moved the adoption of Legislative Citations No. 156 and No. 157. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby congratulates and applauds HOPE COTTRILL for your selection as a participant in the 1988 Governor's School for the Arts. This is an honor of which you can be very proud and can be attributed to your many hours of practice and dedication to your music.

The House of Representatives joins Representative Joe Barrows in commending you as Woodford County's only participant at the school this summer.

The House of Representatives of the Commonwealth of Kentucky hereby honors and congratulates JONATHAN GRATE upon your selection for the 1988 Governor's Scholars Program. Exceptional ability, determination to excel, and a true enjoyment of learning, are among the qualities which contribute to such extraordinary scholastic achievement. These are also characteristics to be found in the leaders of tomorrow.

This outstanding academic accomplishment is a source of great pride for the Commonwealth. The Members of the House of Representatives join Representative Joe Barrows in saluting and applauding JONATHAN GRATE.

Representative Cline moved the rules be suspended to act upon a Legislative Citation. Agreed.

Representative Cline moved the adoption of Legislative Citation No. 159. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby congratulates and applauds DR. DONALD A. NASH of Kentucky Christian College for 40 years of outstanding service. Your work as a scholar in the field of Biblical research is internationally known and you have distinguished yourself by authoring several books including *A Grammar of the Greek New Testament* and the *Practical Parallel Concordance*. Dr. Nash, you are truly loved by your students and respected by your colleagues and this prestigious body commends you for the honor you have brought not only to Kentucky Christian College but the Commonwealth of Kentucky.

The House of Representatives joins Representative Gene Cline in recognizing your contributions over these many years and wishing you happiness in your retirement.

Representative Keith moved the rules be suspended to act upon Legislative Citations. Agreed.

Representative Keith moved the adoption of Legislative Citations No. 150, 151, 152, 163 and 164. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby congratulates and applauds RUTH

CARPENTER of the CLAY COUNTY TIGERETTES on your outstanding basketball season where you posted a 25-2 regular season record. Not only did you win five special tournaments this year, but you won your District Tournament for the third year in a row, and the 13th Region Tournament. This afforded you the honor of representing your school in the 27th Girls State Basketball Tournament held in Frankfort where you advanced to the quarter finals.

The House of Representatives joins Representative Stephen Keith in honoring you for your dedication and hard work.

The House of Representatives of the Commonwealth of Kentucky hereby recognizes and cites COACH DONNIE GRAY on your team's outstanding basketball season. Through your guidance, dedication and hard work this year, they have won five special tournaments, their District Tournament, 13th Region Tournament and advanced to the quarter finals of the 27th Girls State Basketball Tournament. During the three years you have coached the Tigerettes you have had an outstanding record of 83-10, which shows that your contributions have been significant. Not only have you shown great leadership on the basketball court, but you have certainly brought a great deal of recognition to Clay County High School.

The House of Representatives joins Representative Stephen Keith in honoring you for your contributions and wishes you every success in all your future endeavors.

The House of Representatives of the Commonwealth of Kentucky congratulates and applauds RICHIE FARMER.

WHEREAS, Richie Farmer has excelled both athletically and academically at Clay County High School; and

WHEREAS, for the second year in a row Richie Farmer has been named the Most Valuable Player in the Kentucky High School State Tournament; and

WHEREAS, Richie Farmer was voted the Most Outstanding Player at this year's Myrtle Beach Classic Basketball Tournament; and

WHEREAS, Richie Farmer holds Kentucky State Tournament records in points scored - 317, playing time in consecutive tournaments - 5, and holds the state tournament all time assist record;

NOW, THEREFORE, be it resolved by the Kentucky House of Representatives that we congratulate Richie Farmer on being one of the all time Greats of Kentucky High School Basketball and look forward to an equally exciting career when he takes the floor at Rupp Arena as a University of Kentucky Wildcat. (Sponsored by Representative Keith)

The House of Representatives of the Commonwealth of Kentucky hereby honors the Clay County Tigers Boys Basketball Team.

WHEREAS, the Clay County Tigers have captivated basketball fans across Kentucky and beyond; and

WHEREAS, Clay County has dominated boys high school basketball for the last three out of four years by placing either 1st or 2nd in the Kentucky Boys High School State Tournament; and

WHEREAS, the Coach and players of the Clay County Tigers have represented our Commonwealth in an outstanding fashion, both on and off the court.

NOW, THEREFORE, be it resolved by the Kentucky House of Representatives that we congratulate Clay County Tigers and their Coach on their outstanding achievements and wish them the best of luck in the future. (Sponsored by Representative Keith)

The House of Representatives of the Commonwealth of Kentucky hereby honors Coach Bobby Keith

WHEREAS, Coach Keith has guided his Clay County Tigers to either 1st or 2nd place in the Kentucky Boys High School State Tournament for three years in a row; and

WHEREAS, Bobby Keith is the state's leading Coach in percentage of games won, winning over 80% of his games in 18 years of coaching; and

WHEREAS, Bobby Keith's fellow coaches saw fit to take the unprecedented step of naming him Kentucky Coach of the Year for the second year in a row.

NOW, THEREFORE, be it resolved by the Kentucky House of Representatives that we congratulate Coach Keith on his outstanding achievements in working with young people and on his ability to bring out the very best in his talented players at Clay County. (Sponsored by Representative Keith)

Representative Siler moved that the rules be suspended to introduce and act upon a Resolution . Agreed.

HR 242, by Representatives Siler and Ford: A RESOLUTION adjourning the House of Representatives in memory and honor of Ray Mitchell Fannin of Whitley City, Kentucky.

Representative Siler moved the adoption of the following **HR 242**:

HR 242. A RESOLUTION adjourning the House of Representatives in memory and honor of Ray Mitchell Fannin of Whitley City, Kentucky.

With heartfelt sorrow we pay homage and tribute to the memory of our departed friend Ray Mitchell Fannin:

WHEREAS, Ray Mitchell Fannin crossed that final bourne from which no traveler returns in a fatal automobile accident at the age of 58; and

WHEREAS, Ray Mitchell Fannin was a former educator who had ably served for two terms as the president of the Distributive Education Teachers Association of Kentucky; and

WHEREAS, Ray Mitchell Fannin instituted the first DECA program in Mc Creary County; and

WHEREAS, Ray Mitchell Fannin was an accomplished real estate developer and investor; and

WHEREAS, Ray Mitchell Fannin, in discussions with the Gentleman from the 82nd District in 1986, conceived of the idea for legislation which ultimately became House Bill 902 of the 1988 session that was signed into law on April 9th; and

WHEREAS, the immeasurable benefits of House Bill 902 to Mc Creary County, the result of the inspiring ideals of Ray Mitchell Fannin, will forever be remembered by his many friends and neighbors throughout the county; and

WHEREAS, Ray Mitchell Fannin was tragically taken from his family and friends in an automobile accident in which it is believed that he suffered from a massive heart attack;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the members of this august body do hereby express their utter sense of bereavement and loss upon the death of Ray Mitchell Fannin and commend his family to the solace of the Almighty during these dark and painful hours.

Section 2. That the House of Representatives posthumously proclaims Ray Mitchell Fannin of Whitley City, Kentucky to have been an outstanding citizen and exemplary representative of the Commonwealth.

Section 3. That when the House of Representatives of the Commonwealth of Kentucky does adjourn sine die this Friday, April 15, 1988, it does so in memory and honor of Ray Mitchell Fannin.

Section 4. That the Clerk of the House is directed to transmit copies of this resolution to the family members of Ray Mitchell Fannin: daughters Cyndi Thompson, Kim King, Renee Fannin; mother Anna Davis Fannin; and sister Betty Jo Slaven in care of Ms. Cyndi Thompson, 101 Bank Street, Onieda, TN 37841.

HR 242 was adopted by voice vote.

Representative Hoover moved the rules be suspended to act upon a Legislative Citation. Agreed.

Representative Hoover moved the adoption of Legislative Citation No. 148. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby honors and congratulates LAURA L. CRITZ upon your selection for the 1988 Governor's Scholars Program. Exceptional ability, determination to excel, and a true enjoyment of learning, are among the qualities which contribute to such extraordinary scholastic achievement. These are also characteristics to be found in the leaders of tomorrow.

This outstanding academic accomplishment is a source of great pride for the Commonwealth. The Members of the House of Representatives join Representative Mae Hoover in saluting and applauding LAURA L. CRITZ.

Representative Stumbo moved that the rules be suspended to act upon a Resolution. Agreed.

Representative Stumbo moved the adoption of the following **SCR 188**:

SCR 188, A CONCURRENT RESOLUTION to adjourn the 1988 Regular Session of the General Assembly sine die.

NOW, THEREFORE,

Be it resolved by the Senate of the General Assembly of the Commonwealth of Kentucky, the House of Representatives concurring therein:

Section 1. That when the Senate and the House of Representatives adjourn on Friday, April 15, 1988, they do adjourn sine die.

SCR 188 was adopted by voice vote.

Representative Scorsone moved that the rules be suspended to introduce and act upon a Resolution. Agreed.

HR 245, by Representative Scorsone: A RESOLUTION in memory of Clyde Thornton Lassiter.

Representative Scorsone moved the adoption of the following **HR 245**:

HR 245, A RESOLUTION in memory of Clyde Thornton Lassiter.

WHEREAS, the recent passing of Clyde Thornton Lassiter has touched the hearts of many Kentuckians, including numerous former colleagues and students; and

WHEREAS, the career of educator Clyde Lassiter spanned more than four decades and included service as a high school and college teacher and, most recently, fifteen years as principal of Lexington's Henry Clay High School; and

WHEREAS, Clyde Lassiter is remembered for his effectiveness, his efficiency, his even temper and his sense of humor; and

WHEREAS, Clyde Lassiter was a former president of the Kentucky and Bluegrass retired teachers associations, a former first vice president of the Kentucky Education Association, and a member of the Kentucky Association of Colleges and Secondary Schools executive committee; and

WHEREAS, Clyde Lassiter was a devoted father and a loving husband;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House expresses its sympathy to the family of Clyde Thornton Lassiter.

Section 2. That when the House adjourns this day, Friday, April 15, 1988, it does so in memory of Clyde Thornton Lassiter.

Section 3. That a copy of this resolution be sent to Mrs. Alma Lassiter, 717 W. Cooper Drive, Lexington, Kentucky.

HR 245 was adopted by voice vote.

Representative Bronger moved that the rules be suspended to introduce and act upon a Resolution. Agreed.

HR 243, by Representative Bronger: A RESOLUTION soliciting assistance for Representative Deskins.

Representative Bronger moved the adoption of the following **HR 243**:

HR 243. A RESOLUTION soliciting assistance for Representative Deskins.

WHEREAS, the recent attire of Representative Herbie Deskins and his rhetoric of late have elicited profound sympathy from his fellow legislators; and

WHEREAS, some of us would tender the suggestion, albeit gingerly, that perhaps it is less than exemplary for a state representative to enter this chamber in recycled garments; and

WHEREAS, Representative Herbie Deskins has otherwise proven himself a perfectly ordinary member of this august assemblage; and

WHEREAS, on rare occasions it is appropriate for this body to endorse charitable causes:

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That each member of the House be requested to donate twenty-five cents toward a fund for purchasing Representative Deskins a durable and stylish shirt.

Section 2. That the funds so solicited be presented in a quiet and unobtrusive manner to Representative Deskins.

HR 243 was rejected.

Representative Strong moved that the rules be suspended to introduce and act upon a Resolution. Agreed.

HR 244, by Representative Strong: A RESOLUTION adjourning the House of Representatives in memory of Robert James Igo.

Representative Strong moved the adoption of the following **HR 244**:

HR 244. A RESOLUTION adjourning the House of Representatives in memory of Robert James Igo.

With deepest regret, we pay homage and tribute to a true Kentucky gentleman, Robert James Igo.

WHEREAS, Robert James Igo of Corbin, Kentucky departed this life last week; and

WHEREAS, this outstanding citizen was a teacher and football coach at Lynn Camp High School in Corbin; and

WHEREAS, Robert James Igo was a devoted husband to his wife, Novella, and a loving father to his three children;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House of Representatives laments the loss of Robert James Igo and extends to his family its most heartfelt sympathy.

Section 2. That when the House of Representatives does adjourn this day Friday, April 15, 1988, it does so in memory of Robert James Igo.

Section 3. That the Clerk of the House is directed to transmit a copy of this resolution to the family of Robert James Igo.

HR 244 was adopted by voice vote.

Representative Hancock moved that the rules be suspended to introduce and act upon a Resolution. Agreed.

HR 237, by Representative Hancock: A RESOLUTION honoring playwright George C. Wolfe.

Representative Hancock moved the adoption of the following **HR 237**:

HR 237. A RESOLUTION honoring playwright George C. Wolfe.

WHEREAS, George C. Wolfe's play "The Colored Museum" is an Off-Broadway sensation and earned this native of Frankfort, Kentucky, praise from the *New York Times*, *Daily News*, *USA Today*, *The Black American*, *Village Voice*, *Newsweek* and other publications; and

WHEREAS, this witty satire about racial stereotypes has played in New York and London and will soon be seen in Los Angeles, as well as all over Canada and the United States; and

WHEREAS, this powerful exceptional playwright is a graduate of Frankfort High School, Rosenwald Laboratory School, and attended Kentucky State University; and

WHEREAS, George C. Wolfe also holds an MFA in Dramatic Writing/Musical Theatre from NYU and a BA in Directing from Pomona College; and

WHEREAS, this distinguished playwright was awarded a CBS/Foundation of the Dramatist Guild Playwright Award for "The Colored Museum"; and

WHEREAS, George C. Wolfe's uncompromising wit is not limited to "The Colored Museum"; and

WHEREAS, he is a contributing author to *The Living Theatre*, published by McGraw Hill, and is the recipient of a librettist/lyricist grant from the National Institute of Musical Theatre; and

WHEREAS, this insightful playwright has taught acting and guest directed at numerous theatrical institutions and was a writing intern on "Phyllis," an MGM production; and

WHEREAS, The Houston Grand Opera and the Musical Theatre Project co-commissioned him as a librettist; and

WHEREAS, George C. Wolfe's musical "Paradise!" for which he wrote the book and lyrics, received its world premier at Cincinnati's Playhouse-in-the-Park and a subsequent Off-Broadway production at Playwright's Horizon; and

WHEREAS, George C. Wolfe was librettist for the opera, "Queenie Pie," which was composed by Duke Ellington and is currently playing at the Kennedy Center in Washington, D.C.;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House of Representatives salutes George C. Wolfe, an outstanding Kentuckian.

Section 2. That the members of this honorable body proudly commend George C. Wolfe on his success.

Section 3. That the House hails George C. Wolfe as an exemplary representative of the Commonwealth.

Section 4. That the Clerk of the House is directed to transmit copies of this resolution to George C. Wolfe and his parents, Costello Wolfe and Anna Wolfe of Frankfort, Kentucky.

HR 237 was adopted by voice vote.

Representative Hancock moved the rules be suspended to act upon a Legislative Citation. Agreed.

Representative Hancock moved the adoption of Legislative Citation No. 158. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby congratulates and applauds MARGUERITE BRAY on the celebration of your 80th Birthday. Your life has been filled with much love and admiration from your family and friends and you have been an inspiration to those whose lives you have touched. Further, your dedication as a member of the General Assembly staff since 1974 has been evident throughout the years and this prestigious body owes you a debt of gratitude for your service to the Commonwealth.

The House of Representatives thanks you, Marguerite, for a job well done and wishes you a very Happy 80th Birthday. (Sponsored by Representative Hancock)

Representative Moberly moved the rules be suspended to act upon Legislative Citations. Agreed.

Representative Moberly moved the adoption of Legislative Citations No. 160, 161 and 162. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby congratulates and applauds BARBARA HAMILTON, ACADEMIC COACH of Clark-Moores Middle School for your team's achievement of academic excellence. The members of your school's Governor's Cup Team have distinguished themselves by winning the 1987 Middle Grades Division in the prestigious competition. The Governor's Cup is the state's premier academic event and your team has shown a great deal of dedication through their many hours of hard work which was necessary to excel in this forum.

The House of Representatives joins Representative Harry Moberly in commending you and your team and wishing you success in all your future academic endeavors. (Sponsored by Representative Walker)

The House of Representatives of the Commonwealth of Kentucky hereby congratulates and applauds THOMAS BIHL of Clark-Moores Middle School for your achievement of academic excellence. As a member of your school's Governor's Cup Team you have distinguished yourself by winning the 1987 Middle Grades Division in the prestigious competition. The Governor's Cup is the state's premier academic event and your team has shown a great deal of dedication through your many hours of hard work which were necessary to excel in this forum.

The House of Representatives joins Representative Harry Moberly in commending you and wishing you success in all your future academic endeavors.

The House of Representatives of the Commonwealth of Kentucky hereby congratulates and applauds LISA HUGHES. As Madison County's Junior Miss, you were an outstanding representative at the Kentucky Junior Miss Scholarship Program held in Bowling Green. Your third runner-up finish in the contest was a tribute to all your hard work and dedication and has distinguished you among your peers.

The House of Representatives joins Representative Harry Moberly in commending you for your participation in this program and wishes you success in your future endeavors.

Representative Walker moved that the rules be suspended to act upon Legislative Citations. Agreed.

Representative Walker moved the adoption of Legislative Citations No. 165 and 166. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby congratulates and applauds PATRICIA DOWLING on your selection by the Greater Cincinnati Bicentennial Commission and Leadership Cincinnati Alumni as one of the 200 GREATER CINCINNATIANS. You are to be commended for donating of your time and energy for the improvement of your community.

The House of Representatives joins Representative Lawson Walker in recognizing you for your contributions.

The House of Representatives of the Commonwealth of Kentucky hereby congratulates and applauds GINNY FELDHaus as you retire as Editor of the *Voice of Villa Hills* on September 1, 1988. Your dedication over the past twenty-two years, since the paper started, is an important part of why it has grown to what it is today. Your efforts have been appreciated.

The House of Representatives joins Representative Lawson Walker in commending you for a job well done.

Representative Blevins moved that the rules be suspended to introduce and act upon a Resolution. Agreed.

HR 246. by Representative Blevins: A RESOLUTION honoring Dr. Claire Louise Caudill.

Representative Blevins moved the adoption of the following **HR 246:**

HR 246. A RESOLUTION honoring Dr. Claire Louise Caudill.

WHEREAS, Claire Louise Caudill, M.D., has been a driving force in the development of civic, educational and public health projects at the local, regional and state levels; and

WHEREAS, Dr. Caudill has, through her dedication, personal contribution and perseverance been instrumental in the movement which led to the establishment and maintenance of St. Claire Medical Center as a major regional health care facility for northeastern Kentucky; and

WHEREAS, Dr. Caudill has, for some forty years, given of herself totally and unselfishly to the service, general good and well-being of the people of Rowan County and the surrounding area;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

Section 1. That the House of Representatives proudly honors Dr. Claire Louise Caudill for her outstanding contributions to the citizens of the Commonwealth of Kentucky.

Section 2. That the Clerk of the House is directed to transmit a copy of this resolution to Ms. Lois Holley, 328 Allen Avenue, Morehead, Kentucky, 40351.

HR 246 was adopted by voice vote.

Representative Blevins moved the rules be suspended to act upon a Legislative Citation. Agreed.

Representative Blevins moved the adoption of Legislative Citation No. 155. Agreed.

The House of Representatives of the Commonwealth of Kentucky hereby congratulates and applauds DR. CLAIRE LOUISE CAUDILL for your dedication, perseverance and personal contribution to the movement which led to the establishment and maintenance of St. Claire Medical Center, a regional health facility for northeastern Kentucky. Not only have you been a driving force in the development of civic, educational and public health projects at the local, regional and state levels, but for over 40 years you have given unselfishly of yourself to the service, general good and well being of the people of Rowan County and the surrounding area.

The House of Representatives joins Representative Walter Blevins in honoring you for your contributions.

Representative McElroy moved that the reading of the Journal of April 15, 1988 be dispensed with and the same approved. Agreed.

Representative McElroy moved that the Journal of the House of Representatives for the 1988 Session be approved. Agreed.

The Journal of the House of Representatives was read, compared and approved.

Adjournment

Representative Stumbo moved that the House adjourn sine die.

On the roll call the vote was yeas 90-Adams, Adkins, Allen, Altman, Ark, Arnold, Ballard, Barrows, Blandford, Blevins, J. Brown, M. Brown, Bruce, Burch, Callahan, Casebier, Castleman, L. Clark, P. Clark, Clarke, Cline, Crupper, Curd, Cyrus, Donnermeyer, Farrow, Ford, Gedling, Geveden, Gray, Gregory, Guenthner, Hancock, Handy, J. Harper, K. Harper, Hatcher, Hoover, Hourigan, Jackson, Johnson, A. Jones, R. Jones, T. Jones, Keith, Kerr, Layman, Lear, Lefevers, LeMaster, Lile, Little, Long, Lyne, Mack, Maggard, Mason, McBee, McElroy, Meyer, Moberly, Napier, Nett, Noe, Noland, Northup, O'Brien, Overstreet, Priddy, Pritchett, Rapier, Reinhardt, B. Richardson, P. Richardson, Ridley, Riner, Robinson, Scorsone, Seum, Siler, B. Smith, R. Smith, Strong, Stumbo, Todd, Turner, Walker, Will, Worthington, Yates. Nays 0.

The motion that the House adjourn sine die was adopted.

The House adjourned sine die.

/s/ Donald J. Blandford

PROVED: Donald J. Blandford, Speaker
House of Representatives

/s/ Evelyn Marston

TEST: Evelyn Marston, Chief Clerk
House of Representatives

HISTORY OF HOUSE BILLS

(Numbers refer to page of House Journal. The text of a bill is given on first reading.
Sponsors are indicated on the page of introduction.)

*Voting modifications appear at the member's name in the subject index.

Bill No.	Introduced	Referred	Re-reported	Readings	1st	2nd	3rd	Sub. or Amend	Voting*	Senate Message	Concur Activities	En-rolled	Other Action
HB 1	20	41	1790	1790	2035	2141	2109,2193	2142	3315			3322	1503, 2105, 2141, 2568
HB 2	20	41											50
HB 3	21	41	183	183	223	548	1230	548, 1230	1163		1230	1292	42, 50, 59, 210, 233, 548, 552, 589
HB 4	21	41											50
HB 5	21	41	183	184	223	258	238, 2498	259, 2498	2209		2498	2576	50, 233, 262
HB 6	21	41	183	564	609	743	564, 659	743					42, 131, 265, 662
HB 7	21	41	1382	1382	1532	2038	1383	2039	2943			3129	1172, 1567
HB 8	21	41											50
HB 9	21	41	162	162	223	463		463	990			1025	50, 57, 238, 241, 465
HB 10	21	41											50, 238
HB 11	21	40	97	98	128	223		223	823			837, 866	41, 160, 229, 236
HB 12	21	41	62	62	102	128	65, 66, 95, 3002	128, 129, 3660	2895		3006, 3315, 3420, 3531, 3550, 3596, 3660	3732	45, 59, 104, 131, 3038
HB 13	21	41	1989	1989	2138	2616	1990, 3629	2617, 3629	3550		3629	3701	1532, 2213
HB 14	21	41	117	117	135	234	118, 155, 156, 229	235	678			730	62, 136, 229, 262
HB 15	21	41	54	54	85	102		102					50, 88
HB 16	21	41	1315	1323	1499	1796	1324						544, 1531, 1797
HB 17	21	40	845	845	890	1022		1023	2895			2943	50, 907
HB 18	21	40	843	843	890	1024	844	1024	2943			3148	50, 907, 1027
HB 19	21	40	1030	1030	1155	1223	1033, 1034, 3147	1224, 3148	2943		3148	3225	50, 1164, 1342
HB 20	21	41	1360	1360	1532	2140	1361, 3528	2140, 3529	3148		3529	3646	46, 59, 94, 131, 155, 210, 543, 672, 904, 1867, 2568, 3546, 3547
HB 21	21	41											3700
HB 22	22	41	62	66	102	2908	2579	2908	3550			3646	1503
HB 23	22	41	162	163	223	548	164, 544	548	749			823	42, 45, 94, 104, 2212, 2579, 2790
HB 24	22	40											50, 241, 589
HB 25	22	41	54	57	85	103	2925	103, 2925	990		1107, 1345, 1791, 2790, 2925, 2943	3129	50
HB 26	22	41	951	952	1018	1166	952	1166	2895			2943	50, 88, 104, 2040, 2105, 2195
HB 27	22	41	62	73	102		74						94, 131, 229, 894, 1030
HB 28	22	41											45, 104, 262, 589
HB 29	22	41											
HB 30	22	41											
HB 31	22	41	107	107	135	153	117	153	783			823	46, 50, 136, 155, 238
HB 32	22	41	1989	1990	2138	2617		2617					94, 1532, 2213
HB 33	22	40											262
HB 34	22	41	99	99	128	233		233	990			1025	50, 160, 262
HB 35	22	41											50, 229
HB 36	22	41	1473	1473	1532		1481, 1488						54, 662, 2213
HB 37	22	41	686	686	742	836	690, 691, 781, 820, 2924	836, 2924	2790		2924	3129	45, 746, 839, 2933
HB 38	22	41											237
HB 39	22	41											42, 104, 229
HB 40	22	41	90	90	102	129		129					50, 104, 131
HB 41	22	41	88	88	102	135	90, 104, 132, 133	135					50, 59, 104, 131, 558, 676
HB 42	22	41											
HB 43	22	41	54	57	85	102		102					50, 88
HB 44	23	45											
HB 45	23	41	118	118	135		156						50, 160
HB 46	23	41											
HB 47	23	41											50
HB 48	23	41	496	496	547	611	505	611	2943			3129	50, 559
HB 49	23	41	1989	1991	2138	2617		2617	3550			3646	104, 1532, 2213
HB 50	23	41	622	622	662	743	625, 2045	743, 2048	1567			2139	42, 46, 50, 59, 94, 667, 747
HB 51	23	41										2140	50
HB 52	23	41											50
HB 53	23	41											50
HB 54	23	41	162	166	223	538	168, 476	539	1029			1105	50, 57, 241
HB 55	23	41	162	170	223	463	171	463	1029			1105	50, 57, 241, 465
HB 56	23	41											50, 57, 242
HB 57	23	41											50
HB 58	23	41											42, 50
HB 59	23	40											50
HB 60	23	41	594	594	655	668	596	669	990			1025	50, 59, 662
HB 61	23	41	1272		1330								104, 894, 1337
HB 62	23	41	94	94	102	208		208					50, 104

[illegible]

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Bill No.	Introduced	Referred	Re-reported	1st	Readings 2nd	3rd	Sub. or Amend	Voting*	Senate Message	Concur Activities	En-rolled	Other Action
HB 151	28	41										50
HB 152	28	41										50
HB 153	28	41										50
HB 154	28	41										50
HB 155	28	41										50
HB 156	28	41										50
HB 157	28	41										50
HB 158	28	41										50
HB 159	29	41										50
HB 160	29	41										50
HB 161	29	41										50
HB 162	29	41										50
HB 163	29	41										50
HB 164	29	41										50
HB 165	29	41										50
HB 166	29	41										50
HB 167	29	41										50
HB 168	29	41										50
HB 169	29	41										50
HB 170	29	41										50
HB 171	29	41										50
HB 172	29	41										50
HB 173	29	41	951	952	1018	1157	953, 1138, 1527, 3551, 3552	1796, 3551	3419	3551	3649	894, 1030, 1157, 1158, 1562
HB 174	29	41	2442	2442	2614							59, 585, 2643, 3246
HB 175	29	41	257	257	463	549	257, 786	549, 786	730	786	837, 866	50, 482, 543, 552, 589, 786
HB 176	29	41	242	242	463	2905	244, 245, 247	2906	3550		3646	42, 46, 51, 59, 94, 104, 155, 210, 229, 238, 262, 482, 543, 558, 589, 615, 659, 676, 781, 820, 904, 1027, 1162, 2440, 2499, 2568, 2579, 2643
												50, 781
HB 177	29	41										59, 262
HB 178	29	41										
HB 179	29	40										
HB 180	30	41	62	78	102		81, 133					45, 104, 1223
HB 181	30	41										42, 59, 131
HB 182	30	41										
HB 183	30	41	2682	2682	2850	2997	2682, 2683	2998				210, 1295, 2929
HB 184	30	41										1503
HB 185	30	40										
HB 186	30	41										1503
HB 187	30	41										547, 668, 839
HB 188	30	41										94, 262, 585
HB 189	30	41										
HB 190	30	41										
HB 191	30	41										
HB 192	30	41										
HB 193	30	41										
HB 194	30	41	1108	1108	1155		1113					1503
												668
HB 195	30	41	118	118	135	153	120	153	990		1025	46, 104, 1337, 2212, 2579, 2871, 2995
HB 196	30	40	619	619	662	784	620	784	2895		2943	88, 136</

HISTORY OF HOUSE BILLS

Bill No.	Introduced	Referred	Reported	1st	Readings 2nd	3rd	Sub. or Amend	Voting*	Senate Message	Concur Activities	Enrolled	Other Action
HB 222	31	41	151	152	207	234	152, 153	234				94, 97, 155, 208, 238, 262
HB 223	31	41	697	697	742	834		835	2642		2850	59, 218, 784
HB 224	31	41	2442	2443	2614	2906	2443	2906	3529		3550	45, 2643
HB 225	32	41	1914	1915	2138	2617	1917	2617	3529		3550	45, 2213
HB 226	32	41	218	219	233	539	1797	539, 1797	1345	1797	2035	45, 265
HB 227	32	41	131	132	135	234	2625	234, 2625	1865	2625	2644	50, 160, 210, 229, 238, 262
HB 228	32	41	1790	1790	2035		1791					210, 229, 238, 262, 465, 551, 555, 615, 820, 1026, 1027, 1334, 1342, 1527, 2643, 2935, 2995
HB 229	32	41										1503
HB 230	32	40	751	751	784	900	753	900	2895		2943	42, 46, 50, 59, 104, 131, 729, 839, 890
HB 231	32	41										839
HB 232	32	41	218	220	233	539		539	3550		3646	45, 265
HB 233	32	41	218	221	233	550		583	3550		3646	45, 265, 545, 550
HB 234	32	41										45
HB 235	32	40	1346	1347	1532		1349, 1563					838, 839, 2105
HB 236	32	41										
HB 237	32	41	118	120	135	153		153	990		1025	88, 136
HB 238	32	41	1233	1234	1330	1793	1234, 1235	1793	3053		3225	1108, 1531
HB 239	32	41										
HB 240	32	41	486	486	547	609	490, 558, 2918	610, 2924	2642	2923	2943	50, 559
HB 241	32	41										
HB 242	32	41										
HB 243	32	41										
HB 244	32	41	1382	1383	1532	2039	1385	2039	3053		3225	1567
HB 245	32	40										902, 1567, 2109
HB 246	32	41	183	188	223							155
HB 247	33	41										50, 210, 233, 238, 465, 1027, 1342, 2568
HB 248	33	41	183	189	223		197					58, 59, 104, 155, 210, 615, 2568
HB 249	33	41	183	197	223	2912		2912				50, 94, 210, 229, 233, 262, 465, 543, 729, 839, 1027, 1172, 1342, 2568
HB 250	33	41										50, 59, 94, 104, 210, 229, 233, 238, 262, 465, 543, 589, 1172, 1342, 1563, 2212, 2568, 2579, 2760, 2871, 2933, 2934, 2935, 3546
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HB 253	33	41										50
HB 254	33	41										50
HB 255	33	41										50
HB 256	33	41										50
HB 257	33	40										50
HB 258	33	40										50
HB 259	33	40										50
HB 260	33	40										50
HB 261	33	40										50
HB 262	33	40										50
HB 263	33	40										50
HB 264	33	40										50
HB 265	33	41										50
HB 266	34	41										50
HB 267	34	41										50
HB 268	34	41										50, 3700
HB 269	34	41										50
HB 270	34	41										50
HB 271	34	41										50
HB 272	34	41										50
HB 273	34	41										50
HB 274	34	40										50
HB 275	34	41										50
HB 276	34	41										50
HB 277	34	41										50
HB 278	34	40										1532
HB 279	34	41										50
HB 280	34	41	564	564	609	2998	564, 565	2998	3550		3646	839
HB 281	34	41										104, 668, 2566, 2791, 2929
HB 282	35	41	686	691	742	2998		2998				237
HB 283	35	41	973	973	1018	1156	978, 1138, 2493	1156, 2493	2195	2493	2576	45, 746, 2566, 2791, 2929
HB 284	35	41	484	484	547	610		610	990		1025	59, 747, 1030, 1162, 2363, 3714, 3731
HB 285	35	41										137, 559
HB 286	35	41										218
HB 287	35	41										
HB 288	35	41	460	460	538	583		583	1531		1567	104, 233, 465, 547, 589
HB 289	39	41	516	516	547	610	589	610				260, 559

HISTORY OF HOUSE BILLS

3761

Bill No.	Intro-duced	Re-ferred	Re-ported	1st	Readings 2nd	3rd	Sub. or Amend	Voting*	Senate Message	Concur Activities	En-rolled	Other Action
HB 290	39	41	1606	1606	2035		1607					1172, 2643
HB 291	39	41	759	759	784							237, 555, 725, 824
HB 292	39	41										104
HB 293	39	41	1315	1324	1499	2037	1563, 1846	2037				902, 1531
HB 294	39	41	486	495	547							59, 260, 662
HB 295	39	41										
HB 296	39	41										
HB 297	39	41										
HB 298	39	41										1503
HB 299	39	41										236, 242
HB 300	39	41	621	621	662	762	622, 747	762	898		906	585, 731, 3223
HB 301	39	41	2499	2501	2614							1503, 2790
HB 302	40	45	242	252	463	549		550	990		1025	218, 482, 589
HB 303	40	45										1503
HB 304	40	45	572	572	609	656	572	657				482, 612, 659
HB 305	40	45	1935	1935	2138	2618		2618	3419		3527	788, 1162, 2213, 2631
HB 306	40	45										
HB 307	40	45	62	62	102	135	95, 133	135	264		480	50, 59, 94, 104, 155, 238, 465, 589
HB 308	40	45										
HB 309	40	45	739	739	762	950		950				585, 729, 781, 820, 890, 1027, 1845
HB 310	40	45	2049	2075	2138	2748	2077, 2193	2748	3419		3527	94, 1531, 2614
HB 311	40	45	265	266	538	556		556	730		745, 749	218, 547
HB 312	40	45	254	254	463	550		550				218, 482, 589
HB 313	40	45										88
HB 314	40	45	2187	2187	2206	2622	2187	2622	3529		3550	658, 2213, 2631
HB 315	41	45										2049
HB 316	42	45	124	124	135							88, 136, 259
HB 317	42	45	679	679	742	784	680, 3604	785, 900, 3604, 1534	3550	3604	3701	50, 59, 746, 886, 900
HB 318	44	50	1180	1180	1330	1534	1342					59, 218, 1337, 1535, 1563
HB 319	44	50	757	757	784	867	3648	867, 3648	3550	3648, 3649, 3653, 3690, 3696, 3700, 3701		104, 209, 725, 824, 886
HB 320	44	50										1172
HB 321	44	50										135, 482
HB 322	44	50	257	257	463	555	257, 258, 553	555				135, 543, 547, 558
HB 323	44	50	267	268	538	555	353	556	898		906	155, 594, 1141, 2934
HB 324	44	50	991	991	1104	1226	992, 2924	1226, 2925	2790	2924	3129	
HB 325	44	50										94, 135
HB 326	44	50										262
HB 327	44	50										839
HB 328	44	50	460	461	538	584	462, 659	663				104, 155, 547, 584, 663, 665, 666, 465
HB 329	45	50										237, 555
HB 330	49	54										104
HB 331	49	54										104, 262, 589, 904
HB 332	49	54										1503
HB 333	49	54										
HB 334	49	54										
HB 335	49	54										
HB 336	49	54										
HB 337	49	54	118	121	135	235	124, 156, 229	235				62, 88, 208, 238, 262
HB 338	49	54	150	150	207	234	150	234				135, 208, 238, 262
HB 339	49	54	565	566	609	699	673	700				544, 612, 676, 726, 781
HB 340	49	54	516	516	547	610		610	1345		1533	141, 560, 589, 615
HB 341	49	54	572	572	609	668		668	2209		2490	210, 482, 612, 726
HB 342	49	54										62, 585, 894
HB 343	53	61	1620	1620	2035	2747	1624	2747				104, 155, 2568, 2614, 2760, 2875
HB 344	53	61										482
HB 345	53	61	907	912	1018	1224	913, 988, 1173, 3006	1224, 3006	2895	3006	3129	265, 1027, 1164, 1342, 3262
HB 346	53	61	462	462	538	556		556	2895		2943	233, 547
HB 347	53	61	518	518	547	655	615	656	906		1019	237, 559
HB 348	53	61	564	565	609	743		743	2895		2943	265, 667
HB 349	53	61	739	739	762	835	740	836				226, 465, 676, 783
HB 350	53	61	1004	1004	1104	2036	1007, 1010, 1565	2036				155, 226, 465, 676, 1164
HB 351	53	61	602	602	655	669	605, 606	669	3315		3322	155, 226, 465, 662, 676
HB 352	53	61	602	606	655	670		670	3315		3322	226, 465, 662, 676
HB 353	53	61	1004	1010	1104	1226	1014	1226	3315		3322	226, 465, 676, 1164
HB 354	53	61	1568	1568	2035	2491	1573, 1846	2492				725, 781, 1503, 2213, 2568
HB 355	59	61										839
HB 356	59	61	2014	2014	2138		2015					894, 2643, 2930
HB 357	59	61	973	983	1018	1225		1225				676, 820, 843, 1027, 1141
HB 358	59	61	2646	2646	2850	2998		2998				1798, 2929, 3262
HB 359	59	61	142	145	207	235		235	559		585, 611	135, 155, 208, 238
HB 360	59	61	973	984	1018	1165	986	1165	3315		3322	94, 843, 1030, 1172, 3731
HB 361	61	97	679	680	742	866	820	866	2567		2621	94, 237, 729, 824, 886
HB 362	61	97										676
HB 363	87	97										155

HISTORY OF HOUSE BILLS

Bill No.	Intro-duced	Re-ferred	Re-ported	1st	Readings 2nd	3rd	Sub. or Amend	Voting*	Senate Message	Concur Activities	En-rolled	Other Action
HB 364	87	97										218
HB 365	87	97	1914	1917	2138	2619	2416	2619				94, 265, 2213
HB 366	87	97										94, 2215
HB 367	87	97	266	266	538	556		557	730		745, 749	137, 218, 547
HB 368	88	97	518	519	547		520					226, 589, 594, 839,
HB 369	96	107										2212, 2627
HB 370	96	107	518	520	547		527, 535					226, 589, 594, 839,
HB 371	96	107	1382	1388	1532	2905	1418, 2760, 2875, 2876, 3555	2905, 3699	3419	3555, 3646, 3690 3699, 3701	3732	1028, 2109, 2212, 2627 788, 2213, 2568
HB 372	96	107										104, 131, 138, 229
HB 373	96	107										672, 871, 1160
HB 374	96	106										218, 262
HB 375	96	107										141
HB 376	96	107										
HB 377	96	106	486	495	547	610		611	1292		1499	242, 559
HB 378	96	107	1233	1236	1330	2041	1248, 1343, 1565, 1846	2042	3053		3225	1108, 1531
HB 379	96	107										
HB 380	96	106										
HB 381	96	107	2146	2146	2206	2750	2147, 2631, 3533	2750 3534	3315	3533	3646	136, 260
HB 382	97	107	2146	2147	2206		2148, 2149					131, 141, 543, 676,
HB 383	97	107	2146	2149	2206		2150					1162, 2614, 2751, 2760, 2875
HB 384	97	107	2146	2150	2206		2151, 2152					131, 141, 238, 543, 1162, 2614, 2760, 2903
HB 385	97	107										131, 141, 543, 676, 1162, 2643, 2760
HB 386	97	107	258	258	463	550	258	550	1163		1223	131, 141, 676, 1162, 2614, 2903, 3262
HB 387	103	107										131, 141, 543, 676, 1162, 3262
HB 388	103	107										226, 482, 589
HB 389	103	107										131, 155
HB 390	103	106										131
HB 391	103	106										
HB 392	103	107	739	740	762	837		837				138, 1172
HB 393	103	106										135
HB 394	103	107										131, 154, 155, 210, 229, 262, 729, 783
HB 395	103	106										
HB 396	106	134	2600	2600	2745	2997	2601	2997				160, 555
HB 397	106	134	711	711	742	785	712, 713	785				1503, 2929, 3262
HB 398	106	134	162	171	223	259	183, 238, 263, 671	259, 671	661	671	700	658, 746, 820
HB 399	106	134										135, 155, 233, 673
HB 400	106	134	739	740	762	899	741	899				615
HB 401	106	134	599	599	655	743		743				210, 551, 659, 781,
HB 402	131	134	150	151	207	225	151, 214, 215	225	593		618	820, 842, 903
HB 403	131	134	572	573	609	663		663	3315		3322	547, 589, 667, 676
HB 404	134	140										135, 208, 210, 229, 236, 781
HB 405	134	140	824	824	865	901		901	3529		3550	482, 612, 676
HB 406	134	140										
HB 407	134	140	565	566	609	700	567	700				210, 260, 729, 890
HB 408	134	140	848	848	890	1023	848, 849, 886	1024	2567		2621	217
HB 409	134	140										217, 662, 726
HB 410	136	140	679	681	742	866	682, 2753	866, 2753	2576	2753	2850	242, 907
HB 411	136	140										
HB 412	136	140										
HB 413	136	140	255	255	463	663	256, 1502	663, 1502	1029	1502	1533	237, 824, 886
HB 414	136	140	952	954	1018	1156	954	1156				585
HB 415	136	140	572	573	609	657	574	657	2567		2621	226, 262, 482
HB 416	136	140										262, 589, 894, 904,
HB 417	136	140										1030, 1162, 2759, 2760
HB 418	136	140	686	693	742	785	695, 696	785				482, 612
HB 419	136	140	1935	1938	2138		240, 589					658
HB 420	136	140										
HB 421	140	160										265, 746, 820
HB 422	140	160	265	265	538	556		556	990		1025	788, 2643
HB 423	140	160	2216	2216	2490	2853	2217, 2218	2853	3419		3527	558
HB 424	154	160	2216	2219	2490	2853	2222	2853	3419		3527	237, 781, 1027
HB 425	154	160	596	596	655	742	729	742	2119		2195	1798, 2614
HB 426	154	160										1798, 2614
HB 427	154	160										218, 668
HB 428	154	160										899
HB 429	154	160	764	764	784	869	764, 839	869	1140		1158, 1163	226, 482, 672, 784
HB 430	154	160	764	768	784	868	769, 839	868	1140		1158, 1163	226, 482, 672, 824, 904, 1342
HB 431	154	160										226, 482, 672, 824, 904, 1342
HB 432	155	160	764	770	784	869	772, 773, 839	870	1140		1158, 1163	226, 482, 672, 824, 904, 1342
HB 433	155	160	629	629	662		635					482, 659, 784
HB 434	155	160	705	708	742	900	709, 894	900	2119		2195	658, 784

HISTORY OF HOUSE BILLS

3763

Bill No.	Introduced	Referred	Re-reported	1st	Readings 2nd	3rd	Sub. or Amend	Voting*	Senate Message	Concur Activities	En-rolled	Other Action
HB 435	155	160										
HB 436	155	160	1315	1324	1499	1794	1324	1794				1172, 1531, 1846
HB 437	155	160	702	702	742	785	703, 2753	785, 2754	2576	2754	2850	658, 746, 819, 820
HB 438	159	218										
HB 439	159	218										
HB 440	159	218										
HB 441	159	218	926	926	1018	1533	928, 1289, 1290, 1343	1533				662, 1180, 1563, 1845
HB 442	159	218	483	483	547	1164		1164	2895		2943	233, 560, 665, 997, 1141, 1172
HB 443	159	218	1346	1353	1532	2492	1354	2492				751, 2213, 2567
HB 444	159	233										612
HB 445	159	233										612
HB 446	159	218	560	561	609	657	563, 1167	657, 1169	1029	1169	1223	237, 612, 1167
HB 447	159	218	1057	1057	1155	1332		1332				238, 871, 904, 1180, 1342, 1527
HB 448	208	218	572	574	609	657		657	1865		2139, 2140	482, 612
HB 449	208	218	620	620	662	744		744	1140		1158, 1163	229, 233, 668, 676
HB 450	208	218	755	755	784	901		901				233, 238, 589, 615, 676, 890, 904
HB 451	208	218										
HB 452	208	218	1620	1630	2035	2747	1694, 1847, 2417, 2633, 3574	2748, 3575	3419	3575	3701	233, 2568, 2614, 2875, 3731
HB 453	208	218	518	535	547	670	538, 2626	670, 2626	2209	2626	2644	237, 559, 781
HB 454	208	218										238, 262, 558, 659
HB 455	209	218	705	710	742	2144	711	2145	3550		3646	658, 784, 820, 1503, 1603, 2105
HB 456	209	218	877	877	890	1025	881	1025				751, 907, 1027
HB 457	217	233	560	563	609	662	564	662	1292		1499	612, 665, 666
HB 458	217	233	2499	2501	2614	2908	2505, 2877, 3604	2909, 3607	3550	3606	3701	781, 788, 2790, 2934, 3262
HB 459	217	233										589, 1162
HB 460	217	233	572	576	609	668	590	668	898		906	482, 662
HB 461	217	233	565	570	609	662	571	663	1865		2139, 2140	544, 612, 666
HB 462	225	233	788	788	832	1023	793, 988	1023	3425		3527	612, 890
HB 463	225	233	830	830	865	949	831	949				262, 465, 676, 729, 763, 839, 890, 988, 1027
HB 464	225	233	1935	1940	2138		1941					725, 2213, 2746
HB 465	225	233										1162, 1532
HB 466	225	233										843, 1162
HB 467	225	233										594, 842
HB 468	225	233	738	738	762	899	738, 895	899				557, 658, 667, 886
HB 469	225	233	653	654	662	744		745	1531		1567	747, 1567
HB 470	225	233	1346	1346	1532	2039	1346	2039				544, 658, 659, 725
HB 471	232	264										1164, 2213
HB 472	232	242	1914	1917	2138	2618	2633	2618	3529		3550	1164, 2213
HB 473	232	242	1914	1918	2138	2618		2618	3550		3646	265
HB 474	232	242										612
HB 475	236	241										679, 1030, 1162
HB 476	236	242	926	930	1018	1157	940	1157	2209		2490	544, 612
HB 477	236	242	571	571	609	658		658	1292		1499	725, 729, 3037, 3262
HB 478	236	242	2478	2478	2614	3130		3130				482, 667
HB 479	236	242	629	641	662	699		699	1163		1223	560, 659, 676, 781, 820, 824, 839, 840
HB 480	236	242	758	758	784	869		869				725, 729, 2213, 2631, 2760
HB 481	236	242	2130	2130	2206	2622	2130	2622				262, 585, 1337
HB 482	236	242	1180	1182	1330	1501	1194	1501	2895		2943	838, 1172
HB 483	236	241										679, 2213, 2568, 3733, 3746, 3747
HB 484	241	264	1867	1867	2138	2496	1880, 3554	2496, 3554	3419	3554	3701	465, 729, 763, 890
HB 485	241	265	830	831	865	950		950				262, 729, 763
HB 486	241	264										902, 1164
HB 487	241	265	1043	1043	1155	1227		1227	3053		3225	902, 1567, 2109
HB 488	241	265	1382	1452	1532	2039		2039	2943		3129	902, 1164
HB 489	241	265	1043	1043	1155	1228		1228	2209		2490	2212, 2871, 2934
HB 490	241	265	2682	2683	2850	2914		2914	3550		3646	902, 1164
HB 491	241	265	1043	1045	1155	1228		1228	2209		2490	902, 1567
HB 492	241	265	1382	1454	1532	2039		2040	2943		3129	585, 672
HB 493	241	265										262, 465, 543, 585, 729, 904, 1028, 1172, 1527, 1841, 1867, 2478, 2929, 2996
HB 494	260	264	1180	1188	1330		1202, 1203, 1343, 1528					729, 951, 1162, 1180, 1342, 1527
HB 495	260	265	1108	1113	1155	1332		1333				262, 594, 465, 659, 543, 676, 589, 729, 894, 904, 1028
HB 496	260	264	824	827	865	1105	827, 886, 887, 895, 896, 904, 905, 988, 1028	1105				615, 665, 783
HB 497	260	264	679	683	742	835	748	835	2943		3129	729
HB 498	260	264										
HB 499	264	482										
HB 500	264	482	2049	2080	2138	2496	2080	2496	3425		3527	729, 951, 2213, 2568
HB 501	264	482	1057	1058	1155	1500	1059, 1060	1500	3550		3646	672, 1180
HB 502	264	482										558, 676
HB 503	464	482	1004	1014	1104	1166	1015	1166				763, 1141, 1172, 2192
HB 504	464	482	757	757	784	891	2917	892, 2917	2576	2917	3129	558, 662, 729, 781,

Bill No.	Intro- duced	Re- ferred	Re- ported	1st	Readings 2nd	3rd	Sub. or Amend	Voting*	Senate Message	Concur Activities	En- rolled	Other Action
HB 505	464	482	1315	1325	1499	2037	1327, 1566, 1847	2038				842, 904 585, 1531, 2109, 2192, 2215, 3262
HB 506	464	482										558, 589, 672, 676, 1562
HB 507	464	482	686	696	742	867	697	867	3550		3646	585, 824 3038
HB 508	464	482										612, 824
HB 509	464	482	679	685	742	866		866	2576		2621	788, 2643, 2934
HB 510	464	482	1935	1942	2138	2903	1946	2903				751, 907
HB 511	464	482										725, 1531
HB 512	464	482	1315	1327	1499	1794	1328, 1566	1795				612, 2213, 2875
HB 513	480	547	1902	1903	2138	2746	1903, 2634	2746				725, 1867, 2568
HB 514	480	547	1473	1488	1532	2140	1489	2141				662, 1180, 1342, 1527
HB 515	481	547	1037	1037	1155	1334	1038	1334	2209		2490	1798, 2614, 2875, 3733
HB 516	481	547	2216	2224	2490	2853	2327, 2634, 2635, 2636, 2761, 2762, 2763, 2764, 2765, 2766, 2767, 3429, 3527	2855, 3721, 3745, 3746	3424	3527, 3531, 3534 3535, 3536, 3550, 3701, 3705, 3721, 3729	3732	3735, 3745, 3746
HB 517	481	547	1382	1454	1532	2144		2144, 3746	3419		3527	725, 2105, 3733, 3734 3746
HB 518	481	547										668
HB 519	481	547	1503	1503	1532	2040	1503, 1504	2040	3327		3419	1233, 1567
HB 520	481	547	1315	1315	1499	2139	1318, 1321, 3698	2139	3550	3698		788, 1867, 2568
HB 521	481	547	1360	1361	1532	2140	1365	2140				871, 1867, 3291
HB 522	481	547	622	628	662	835	629, 729, 820, 821	835				555, 783, 839, 1342
HB 523	481	547	2545	2545	2614	2913	2547, 2548, 2636	2996				1160, 2109, 2871, 2913, 2928, 2933, 2995, 3039
HB 524	481	547										2049
HB 525	481	547										558, 1337
HB 526	481	547	735	735	762	833	736	833				555, 659, 784, 839
HB 527	481	547	1057	1060	1155	1227	3642	1227, 3643	3550	3642	3701	902, 1164, 3655
HB 528	481	547										560
HB 529	481	547										612
HB 530	481	547	1057	1060	1155	1333	1060	1333				701, 784, 1180, 1527
HB 531	481	547										612
HB 532	481	547										
HB 533	481	547	702	704	742	762	782	763				658, 729, 746, 763, 781, 820
HB 534	481	547	1935	1950	2138	2850		2850	3550		3646	788, 1162, 2643
HB 535	544	547										
HB 536	544	547	1360	1365	1532	2141	1369, 2109, 2110	2141				589, 904, 1160, 2105
HB 537	544	547	735	736	762	834		834	1865		2139, 2140	665, 784, 839
HB 538	544	547	732	732	762	834		834	1865		2139, 2140	555, 783, 839
HB 539	544	547	735	737	762	833		833				555, 659, 784, 839
HB 540	544	547	732	732	762	834	735, 821	834				555, 659, 783, 838, 839
HB 541	544	547										
HB 542	544	547										
HB 543	547	554	1180	1203	1330	1793	1207, 1208, 3607	1793	3550	3607, 3694		585, 1531
HB 544	551	554	697	698	742	837		837	2790		2903	585, 784
HB 545	551	555	1360	1372	1532	2040	1374	2040				672, 1567
HB 546	551	554										904
HB 547	551	555	764	773	784	867	775	867	2895		2943	672, 824
HB 548	554	560	1004	1015	1104	1226	1015, 1016	1226				612, 1141, 2109
HB 549	554	560	3008	3008	3127							788, 3699
HB 550	554	560										589, 676, 729, 781, 820, 839, 1503, 1563, 3262
HB 551	554	560	1536	1536	1791	2208	1548, 1549, 1850	2208	2943		3129	589, 659, 668, 676, 729, 820, 839, 1563, 2105, 2568
HB 552	554	560	1798	1798	2035	2207	1818	2208	2943		3129	589, 659, 668, 676, 729, 820, 839, 1172, 1552, 2105, 2568
HB 553	557	560										2049
HB 554	557	560										784, 1867
HB 555	557	560	1360	1374	1532	2143		2143	3550		3646	838, 1164
HB 556	557	560	1004	1016	1104	1227	1016	1227				788, 1567
HB 557	559	594	1382	1457	1532	2040		2040	3550		3646	668
HB 558	559	593										2499, 2929
HB 559	559	594	2817	2817	2902	3001	2818	3001	3550		3646	725, 907, 1027
HB 560	559	594	849	849	890	1022	988	1022				672, 2213, 2631
HB 561	559	593	2146	2152	2206	2622	2159	2622	3550		3646	615
HB 562	559	593										
HB 563	559	593										
HB 564	584	593	824	824	865	949	826	949	1292		1499	668, 890, 2492, 3733, 3734, 3747
HB 565	584	593	2196	2196	2490	2908		2908				668, 2790
HB 566	584	593	2442	2443	2614	2906	2444	2906	3550		3646	894, 1162, 2643, 2933
HB 567	584	593										659
HB 568	584	594										1164
HB 569	584	594	711	713	742	866		866	1865		2139, 2140	658, 824
HB 570	584	593	1050	1050	1155	1792	1050, 1051, 1343, 3530 3613	1792, 3531 1106, 3626	3053	3531	3646	951, 1531, 1845
HB 571	584	593	788	793	832	1105			3550	3625	3649	668, 991
HB 572	584	593										

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Bill No.	Introduced	Referred	Re-reported	1st	Readings 2nd	3rd	Sub. or Amend	Voting*	Senate Message	Concur Activities	En-rolled	Other Action
HB 573	584	593	1057	1060	1155		1081, 1343					951, 1531
HB 574	584	593	2015	2015	2138	2619	2028, 2568, 2636	2747	3529		3550	672, 2213, 2619, 2628
HB 575	584	594										1172
HB 576	584	593	758	758	784	892	759, 2626	892, 2626	2209	2626	2644	672, 842
HB 577	584	593										871
HB 578	584	593	1308	1308	1499	1795	1308	1795				1172, 1531
HB 579	584	594										615
HB 580	585	593										
HB 581	585	594	2119	2119	2206	2623		2623				904, 1342, 1503, 2213, 2631
HB 582	593	619	952	954	1018	1224	1173, 3555	1224, 3573	3425	3573	3646	894, 1028, 1030, 1172
HB 583	593	619	849	850	890	1022	851, 3626	1022, 3626	3550	3626	3701	788, 907, 1028
HB 584	593	619	1904	1904	2138	2856	1906, 2193, 3626	2856, 3627	3550	3627	3701	838, 1162, 2643, 2760, 2935, 3262
HB 585	593	619										725
HB 586	612	619	1272	1272	1330	2209	1285, 1850	2209	3419		3527	659, 1108, 2105, 2109, 2568
HB 587	612	619	2440	2440	2614	2909	3602	2909, 3602	3550	3602	3701	661, 2790, 2934
HB 588	612	619										784, 1162
HB 589	612	619	1295	1295	1499	2038	1298, 1861	2038				725, 904, 1028, 1531, 1562
HB 590	612	619	849	851	890	1024	852	1025	1567		2035	725, 907
HB 591	618	661	1568	1573	2035	2145	1575, 1576, 3573	2145, 3574	3548	3574	3649	838, 2105
HB 592	618	661	1057	1101	1155	1333		1333	2943		3129	784, 1180, 1342, 1527
HB 593	618	661	1050	1051	1155	1334	1290	1334	3550		3646	889, 1162, 1180, 1527, 2109
HB 594	618	661	2101	2101	2138	2619	2102	2619	3327		3419	788, 2213
HB 595	618	661										820, 871, 1028
HB 596	618	661	997	997	1104	1165		1165	2790		2903	838, 1141, 1172
HB 597	618	661	755	756	784	2143		2144	3053		3225	679, 907, 1233, 1603, 2105, 2192
HB 598	618	661										894
HB 599	618	661										788
HB 600	658	661	1004	1016	1104	1166		1166				788, 1141
HB 601	658	661										747
HB 602	658	661	1180	1208	1330	1501		1501				725, 1337
HB 603	658	661										
HB 604	661	667										
HB 605	661	667	2529	2529	2614	2995	2533, 2534	2995	3550		3646	725, 899
HB 606	661	667	2442	2444	2614	2909	2448, 2449	2909				2049, 2929, 3262
HB 607	661	667										725, 2568, 2790
HB 608	665	667	1108	1114	1155		1118					1563

	Bill No.	Intro-duced	Re-ferred	Re-reported	1st	Readings 2nd	3rd	Sub. or Amend	Voting*	Senate Message	Concur Activities	En-rolled	Other Action
	HB 647	731	751										
	HB 648	731	751	2130	2130	2206		2131					951, 2614
	HB 649	731	751	2119	2120	2206	2904	2123, 2193, 2194	2904				1503, 2643
	HB 650	746	751	1272	1287	1330	1535	1288	1535	3315		3322	1108, 1337
	HB 651	746	751	1108	1124	1155	2036	1130, 1290, 1862	2037				951, 1180
	HB 652	746	750	788	806	832	1333	819, 904, 1141, 1178	1333				763, 890, 987, 1026
													1141, 1180, 1527,
	HB 653	746	751	877	882	890	2037	1862	2037	2943		3129	1563, 2109, 2631
													788, 1141, 1172, 1309,
	HB 654	746	750	991	993	1104	1167	996, 3142	1167, 3147	2943	3147	3225	1531
													838, 1141
	HB 655	746	751	1914	1919	2138	2495	2418, 3628, 3629	2495, 3629	3550	3629	3701	871, 2146
	HB 656	746	751	872	872	890	1106	874, 1028	1106				784, 991, 1138
	HB 657	746	751	872	874	890	1106	876, 877, 3575	1106, 3584	3425	3583	3646	784, 991
	HB 658	746	751	1382	1461	1532	2041	1462, 3531	2041, 3531	3053	3531	3646	781, 1567, 2109
	HB 659	746	751										1108
	HB 660	746	751	2015	2028	2138	2497		2497				1160, 2213, 2568, 2934
	HB 661	750	783										781
	HB 662	750	783	1043	1047	1155	1501		1501				902, 1337, 1527, 1845
	HB 663	750	783	1295	1298	1499	1796		1796	2895		2943	899, 1531
	HB 664	750	783										
	HB 665	750	783	1758	1758	2035	2494	1767, 2112, 2113, 2418, 2419, 2420 2422, 2424, 2426, 2427, 2431, 3536, 3539	2495, 3688	3424, 3527	3539, 3595, 3596 3647, 3648, 3649, 3652, 3687, 3688, 3701	3732	1503, 2109, 2146, 2568, 3427, 3547, 3687, 3700, 3731
	HB 666	750	783										907, 1567
	HB 667	750	783	1473	1490	1532	2138	1492	2138				907, 1867, 2875
	HB 668	750	783	1473	1492	1532	2139	1495	2139				2049
	HB 669	750	783										951, 1164
	HB 670	750	783	1055	1055	1155	1533	1056, 1057, 3532	1533, 3532	3053	3532	3646	
	HB 671	750	783	1360	1375	1532	2041	1382					902, 1567, 2041
	HB 672	763	783	2130	2131	2206	2751	2133, 2569	2751				951, 2614
	HB 673	763	783	2049	2080	2138	2620	2085, 2569	2620	3327		3419	894, 2213, 2631
	HB 674	763	783	1315	1328	1499	2139		2139				894, 1531
	HB 675	763	783										991, 1028
	HB 676	763	783										1108
	HB 677	783	823	1002	1002	1104	1534		1534				894, 1180
	HB 678	783	823	2590	2592	2745	2911	2593, 2594, 3607	2911, 3728	3550	3613, 3690, 3693 3700, 3701, 3702, 3721, 3728, 3729	3732	1164, 2790
	HB 679	788	823										951
	HB 680	788	823										1160
	HB 681	788	823										
	HB 682	788	823										904, 1527
	HB 683	788	823										2146
	HB 684	788	823	1503	1504	1532	2206	2194	2207	3419		3527	1337, 1867
	HB 685	788	823										
	HB 686	788	823										2627
	HB 687	788	824	973	986	1018	1166	987	1166	3053		3225	843, 1141, 1172, 3731
	HB 688	788	823	2130	2133	2206	2751	2134	2751	3550		3646	951, 2614, 2760
	HB 689	823	842	1233	1264	1330	1794		1794	3053		3225	1108, 1531
	HB 690	823	842	3008	3009	3127		3010					902, 3699
	HB 691	837	842										
	HB 692	837	842										2212, 2627
	HB 693	837	842										1337
	HB 694	837	842	1315	1328	1499	1796		1796				889, 1531
	HB 695	837	842	2136	2136	2206	2751	2137, 2432, 2935	2994	3550		3646	1172, 2614, 2752, 2757
	HB 696	837	842										1108
	HB 697	838	842	1272	1288	1330	1794	1289	1794				1160, 1531
	HB 698	842	890										
	HB 699	842	890	2682	2688	2850	2998		2999				2212, 2929
	HB 700	842	890	2682	2689	2850	2994		2994	3548		3550	2049, 2929, 3262
	HB 701	842	890	1896	1896	2138	2211		2211				1346, 2146
	HB 702	870	890										1503
	HB 703	870	890	1382	1462	1532	2144	1462, 3627	2144, 3627	3550	3627	3701	1162, 1172, 1867
	HB 704	870	890	2146	2171	2206	2852	2176	2852				951, 2643
	HB 705	871	890	2483	2483	2614	2913		2913				951, 2871
	HB 706	871	890	2529	2534	2614	2850	2537, 2637	2851				1162, 1532, 2643
	HB 707	871	890	2529	2539	2614	2913	2539	2913	3550		3646	1532, 2871, 2934
	HB 708	871	890	1914	1920	2138	2211	1921	2211	3550		3646	951, 2146
	HB 709	871	890	1503	1505	1532	2041	1510	2041	3327		3419	1233, 1567
	HB 710	871	890										1160
	HB 711	871	890	1295	1306	1499	2038	1862, 1863	2038	3425		3527	1172, 1531, 3733, 3734, 3747
													1162, 2049
	HB 712	871	890	1896	1896	2138	2621		2621	3529		3550	1162, 1346, 2213, 2631
	HB 713	871	890										1160
	HB 714	871	890										1108, 1337
	HB 715	871	890	1233	1266	1330	1500	3630, 3631	1500, 3631	3550	3631	3701	
	HB 716	871	890	2442	2453	2614	2993	2465, 2935, 3631, 3632	2994, 3632	3550	3632	3701	951, 2929
	HB 717	871	890										1233

HISTORY OF HOUSE BILLS

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Bill No.	Intro-duced	Re-ferred	Re-ported	1st	Readings 2nd	3rd	Sub. or Amend	Voting*	Senate Message	Concur Activities	En-rolled	Other Action
HB 718	871	890										2146
HB 719	871	890	1382	1463	1532	2207	1469, 1470, 2114	2207	3419		3527	1172, 1867
HB 720	871	890	1568	1592	2035	2207		2207	3550		3646	1172, 2105, 2215, 2567, 2568
HB 721	871	890	1315	1321	1499	2615	1322, 1323	2615				1108, 1527, 1531, 2570
HB 722	871	890	1503	1510	1532	2042	1512	2042	3053		3225	894, 1567
HB 723	889	898	2196	2196	2490	2905		2905				1233, 1342, 2643, 2935
HB 724	889	898	2136	2137	2206		2137					1172, 2871
HB 725	889	898	1993	1993	2138	2852		2852	3550		3646	1503, 2643, 2875
HB 726	889	899										1295
HB 727	889	898										1160
HB 728	889	898	1356	1356	1532	2042		2042	2943		3129	1233, 1567, 2109
HB 729	889	899										
HB 730	893	898	2146	2177	2206	2623	2768	2623				1160, 1342, 1527, 2109, 2213, 2568, 2758, 2759
HB 731	894	898										951
HB 732	894	899										1108
HB 733	894	899	1503	1512	1532	2141	1863, 2116, 2117	2141	3053		3225	951, 1567
HB 734	894	898										1563
HB 735	894	898	1896	1898	2138	2497		2497	3550		3646	1346, 2213
HB 736	894	899										1503
HB 737	894	899										1503
HB 738	894	899										
HB 739	894	898										
HB 740	898	906	1867	1893	2138		1893, 2570, 2571					1346, 2213, 2746, 2760
HB 741	898	907										
HB 742	901	907										1172
HB 743	901	907										
HB 744	901	907										
HB 745	901	907										1026
HB 746	901	907										1026
HB 747	901	907	1382	1470	1532	2206	1471, 2117	2206	3550		3646	1172, 1567
HB 748	901	907	2545	2548	2614	2906	2768	2906				1337, 2643
HB 749	901	907										1026
HB 750	902	907	1935	1957	2138	2492	1959	2492	3550		3646	1172, 2213
HB 751	902	907										1503
HB 752	906	991	1357	1357	1532	2042	3584	2043, 3584	3419	3584	3701	1170, 1172, 1233, 1567
HB 753	906	990	2646	2647	2850	2999		2999				2499, 2929, 3262
HB 754	906	991	2545	2548	2614	2909	3584	2910, 3584	3419	3584	3701	1160, 2790, 2934
HB 755	906	991	1503	1515	1532	2043	1515	2043	3327		3419	1160, 1567
HB 756	906	991	2652	2652	2850	2994	2656	2994	3550		3646	2195, 2929
HB 757	906	991										
HB 758	951	991										2643
HB 759	951	991										1108, 1342
HB 760	951	991	1603	1603	2035	2491		2491				1233, 2105
HB 761	951	991	1382	1471	1532	2044		2045	3419		3527	1233, 1567
HB 762	951	991	1603	1604	2035	2145		2145				1503, 2105
HB 763	951	991										1162, 1798
HB 764	951	991	1914	1921	2138	2745	1934, 1935, 2433, 2638, 3638, 3639, 3640	2746, 3704	3550	3641, 3642, 3690, 3700, 3701, 3704, 3729	3732	1026, 2213, 2760, 2875, 2934
HB 765	951	991	1568	1598	2035	2143		2143	3419		3527	1172, 2105
HB 766	951	991	1315	1323	1499	1791	1323	1792	3315		3322	1028, 1160, 1531
HB 767	951	991	2119	2123	2206							1503, 2213, 2499
HB 768	990	1029										1233
HB 769	990	1029	1536	1561	1791	2140	1562	2140	3053		3225	1028, 1164, 1867
HB 770	990	1030										1337
HB 771	990	1029	1606	1608	2035	2615		2616	3550		3646	1535, 2213
HB 772	990	1030	1315	1329	1499	1795		1795				1162, 1172, 1531, 2109
HB 773	990	1030										2192
HB 774	990	1030										1172
HB 775	990	1030										
HB 776	990	1030	1315	1330	1499							1160, 1527, 1531, 2499
HB 777	1025	1029	1798	1818	2035	2620	2117	2620	3529		3550	1233, 2213, 2631
HB 778	1025	1029										1164
HB 779	1025	1029										1164
HB 780	1025	1030										
HB 781	1025	1030										
HB 782	1025	1030										
HB 783	1026	1030										
HB 784	1026	1029	1867	1894	2138	2748		2748	3327		3419	2049
HB 785	1026	1030	1935	1962	2138	2907	1962	2907				1180, 2614
HB 786	1026	1029										1172, 2109, 2790, 2935
HB 787	1026	1030										1233
HB 788	1026	1030	1935	1963	2138	2851	2194, 2638, 3585	2851, 3588	3419	3588	3701	2871
HB 789	1026	1029	1568	1598	2035	2616		2616				1172, 2213
HB 790	1026	1029										1172, 1342, 2568
HB 791	1026	1030	2680	2680	2850	2915		2915	3550		3646	1798, 2871, 2934
HB 792	1026	1029	2590	2594	2745	2997		2997	3529		3550	1164, 2929
HB 793	1026	1030	1503	1515	1532	2142	3588	2143, 3588	3529	3588	3701	1233, 1867, 3655
HB 794	1026	1029										2049
HB 795	1026	1029										
HB 796	1026	1029	1309	1312	1499	1796	1528	1796	3053		3225	1172, 1531, 1845, 2109
HB 797	1026	1030										1798

Bill No.	Introduced	Referred	Reported	1st	Readings 2nd	3rd	Sub. or Amend	Voting*	Senate Message	Concur Activities	En-rolled	Other Action
HB 798	1029	1141	2944	2944	3127							2627, 3699
HB 799	1029	1140										
HB 800	1029	1140										
HB 801	1029	1140										
HB 802	1029	1141	2930	2931	2992	3130		3130	3529		3550	1503, 3037
HB 803	1029	1141	2187	2187	2206	2624		2624				1337, 2213
HB 804	1029	1140										
HB 805	1029	1141	2545	2549	2614	2907		2907				2049, 2643
HB 806	1107	1141	1993	1996	2138	2749	1998	2749				1532, 2614, 2874
HB 807	1107	1141										1160
HB 808	1107	1141	1904	1907	2138	2749	1909, 3632	2749, 3633	3550	3633	3701	1180, 2614
HB 809	1107	1141	2483	2484	2614	2907	2489, 3588	2907, 3589	3548	3589	3701	1233, 2643
HB 810	1107	1141	2101	2102	2138	2749	2104, 2433	2749				1295, 2614
HB 811	1107	1141	1935	1970	2138	2850	3589, 3593	2850 3593	3419	3593	3701	1295, 2614
HB 812	1107	1141	2590	2594	2745		2595					1295, 3198
HB 813	1107	1141										
HB 814	1107	1140	2196	2197	2490	2752	2571	2752	3548		3550	1233, 2614
HB 815	1107	1141										
HB 816	1107	1141	2015	2028	2138	2621		2621				1532, 2213, 2631
HB 817	1107	1141										2930
HB 818	1107	1141										
HB 819	1107	1141										
HB 820	1107	1141	1606	1609	2035	2616		2616				1535, 2213, 2631, 2875
HB 821	1107	1141										
HB 822	1107	1141										2195
HB 823	1108	1140										
HB 824	1140	1164										
HB 825	1140	1164										2627
HB 826	1140	1164										
HB 827	1140	1164										1295, 2109
HB 828	1140	1163										
HB 829	1140	1164	2146	2178	2206							1233, 2643
HB 830	1140	1164										1337
HB 831	1140	1164										1503
HB 832	1140	1164										
HB 833	1159	1164	1935	1972	2138	2210	2434	2210	3315		3322	1337, 2109, 2146
HB 834	1159	1164										
HB 835	1159	1164	2136	2138	2206	2624	3633	2624, 3633	3550	3633	3701	1535, 2213, 3039
HB 836	1159	1164										
HB 837	1159	1164										1532
HB 838	1159	1164	2652	2656	2850	2999		2999	3550		3646	2195, 2929, 3039
HB 839	1159	1164										2212
HB 840	1159	1164	1904	1911	2138	2498		2498	3550		3646	

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Bill No.	Intro-duced	Re-ferred	Re-ported	1st	Readings 2nd	3rd	Sub. or Amend	Voting*	Senate Message	Concur Activities	En-rolled	Other Action
HB 882	1171	1180										
HB 883	1171	1180	2015	2028	2138	2904		2904	3550		3646	1503, 2643, 2935 2049
HB 884	1171	1180										
HB 885	1171	1179										
HB 886	1171	1179	2674	2674	2850	2915		2915				2049, 2871, 2934
HB 887	1171	1180										
HB 888	1171	1180										
HB 889	1171	1180	2187	2190	2206	2624		2624	3550		3646	1337, 2213
HB 890	1171	1179										
HB 891	1171	1180										
HB 892	1171	1180										1337
HB 893	1171	1179										
HB 894	1171	1179										1527, 1532
HB 895	1171	1180										1531
HB 896	1171	1179	2644	2645	2850	2915	2646	2915	3548			2212, 2871, 3699
HB 897	1171	1180	2820	2821	2903	3001		3002				2049, 2929
HB 898	1171	1180	2820	2821	2903	3002		3002				2049, 2929
HB 899	1172	1179										
HB 900	1179	1295	2579	2584	2745		2586					2146, 2871, 2995, 3037
HB 901	1179	1295	2499	2511	2614	2910		2910	3419		3527	2049, 2790
HB 902	1179	1295	1606	1610	2035	2904		2904	3550		3646	1535, 2643
HB 903	1179	1295										
HB 904	1179	1295										1567
HB 905	1179	1295										
HB 906	1179	1295	1606	1613	2035	2210	1615, 3535	2210, 3535	3315	3535	3646	1535, 2105
HB 907	1232	1295	1904	1911	2138	2851	2639, 3634	2851, 3634	3550	3634	3701	1346, 2643
HB 908	1232	1295	1993	1998	2138	2620	1999, 2437	2620				1503, 2213, 2760
HB 909	1232	1295										1334
HB 910	1232	1295	2483	2489	2614	2907	3634, 3635	2907, 3635	3550	3635	3701	2049, 2643, 3655
HB 911	1232	1295										2499
HB 912	1232	1295										
HB 913	1232	1295										1503
HB 914	1232	1295										1527
HB 915	1232	1295										
HB 916	1232	1295	2478	2479	2614	2996		2996				2049, 2929, 3038, 3039
HB 917	1232	1295	1758	1773	2035		1782, 2117, 2770 2878, 2880, 2881, 2882, 2935					1503, 1527, 2643, 3325
HB 918	1232	1295										
HB 919	1232	1295	2824	2824	2902							1845, 2049, 2760, 3420, 3536
HB 920	1232	1295	2856	2859	2902	3002	2936	3002	3550		3646	1798, 2929
HB 921	1232	1295										2146, 2627, 2630, 2760
HB 922	1232	1295	3008	3010	3127							2643, 3699
HB 923	1232	1295	2791	2792	2902	3002		3002				2146, 2929
HB 924	1232	1295	2829	2829	2902	3129		3129				2049, 3037
HB 925	1232	1295										2499
HB 926	1232	1295										
HB 927	1232	1295										
HB 928	1232	1295	2442	2476	2614	2914	3635	2914, 3636	3550	3636	3701	2049, 2790
HB 929	1232	1295	2049	2095	2138	2211	2096, 3593	2211, 3593	3548	3593	3701	1531, 2146, 2568
HB 930	1232	1295	2049	2096	2138		2098, 2099					1562, 2213, 2746
HB 931	1233	1295										
HB 932	1233	1295	1935	1974	2138	2212		2212	2943		3129	1337, 2146
HB 933	1233	1295										
HB 934	1233	1295										1342, 1563, 3546
HB 935	1233	1295	1606	1615	2035	2495	2194, 2435	2495	3550		3646	1535, 2213
HB 936	1233	1295	2824	2828	2902	3130		3130				2049, 3037, 3038
HB 937	1233	1295	1568	1601	2035	2614		2615	3550		3646	1503, 2105
HB 938	1233	1295										
HB 939	1233	1295	2442	2477	2614	2910	2478, 3636	2910, 3636	3550	3636	3701	2049, 2790
HB 940	1292	1345										2627
HB 941	1292	1346										
HB 942	1292	1346										2212
HB 943	1292	1346										
HB 944	1292	1345	2015	2030	2138	2491	2030, 2031	2491				1527, 1532, 2213, 2568, 2631
HB 945	1292	1345										
HB 946	1292	1346										
HB 947	1292	1345										
HB 948	1292	1345	2817	2818	2902							2499, 3420, 3536
HB 949	1292	1345										
HB 950	1293	1346										
HB 951	1293	1345										
HB 952	1293	1345										
HB 953	1293	1345										2049
HB 954	1293	1345										
HB 955	1293	1345	1993	1999	2138	2746	2572	2746				1535, 2213, 2934, 3039
HB 956	1293	1345	1993	2000	2138	2620	2007, 2572, 3594	2621, 3595	3419	3594	3701	1535, 2213, 2631
HB 957	1293	1346										
HB 958	1293	1345										
HB 959	1293	1503	2576	2576	2745	2911	2639	2912	3550		3646	2440, 2499, 2790

HISTORY OF HOUSE BILLS

Bill No.	Introduced	Referred	Reported	1st	Readings 2nd	3rd	Sub. or Amend	Voting*	Senate Message	Concur Activities	Enrolled	Other Action
HB 960	1293	1345										
HB 961	1293	1345	1904	1912	2138	2750		2750	3550		3646	1346, 2614
HB 962	1293	1346										
HB 963	1293	1346	2682	2692	2850	3128	2702, 2714, 2937, 2939, 2940, 3039, 3637	3128, 3637	3550	3637	3701	2212, 3037, 3262
HB 964	1293	1345										2049
HB 965	1293	1345										2049
HB 966	1293	1346	2478	2480	2614	2996	2482	2996				2049, 2929, 3038, 3039, 3262
HB 967	1293	1345										1535
HB 968	1293	1345	2146	2181	2206	2490	2186, 2573	2490	3419		3527	1532, 2213, 2568
HB 969	1293	1346										
HB 970	1293	1346										
HB 971	1293	1345										2049
HB 972	1293	1345										
HB 973	1293	1346	1935	1974	2138	2211	1975	2211, 3745	3419		3527	1503, 2109, 2146, 3733 3735, 3745
HB 974	1293	1345										
HB 975	1293	1345										
HB 976	1294	1345	2196	2200	2490	2908		2908	3550		3646	2049, 2790
HB 977	1294	1345	2415	2415	2490	2753	2415, 2416	2753	3550		3646	1798, 2614, 3733, 3735, 3747
HB 978	1294	1345										
HB 979	1294	1346										
HB 980	1294	1345	2659	2660	2850	3134	2671, 2940	3134				2049, 3037
HB 981	1294	1346										2049
HB 982	1294	1345										1532
HB 983	1294	1345										2499
HB 984	1294	1345	2545	2549	2614	2996	2940, 2941	2996	3529		3550	1532, 2929
HB 985	1294	1346										
HB 986	1294	1345										2119
HB 987	1294	1345	2678	2678	2850	2916	3637	2916, 3638 2852 3132 2916 3130 2622, 3638	3550	3638	3701	2049, 2871
HB 988	1294	1345	2203	2205	2490	2852						
HB 989	1294	1346	2754	2756	2850	3132	2639, 2757, 2884	3132	3550		3646	2049, 2614
HB 990	1294	1346	2682	2715	2850	2916		2715				1798, 2109, 2568, 3037
HB 991	1294	1346	2820	2821	2903	3129		2885				2212, 2871
HB 992	1294	1345	1867	1895	2138	2621	3638	3130 2622, 3638	3550	3638	3701	2049, 3037, 3262 1532, 2213, 2631
HB 993	1335	1345	1896	1898	2138		1902					1532, 1563, 2643, 2871, 3097, 3699
HB 994	1335	1346										
HB 995	1335	1346										
HB 996	1335	1345										
HB 997	1335	1345										
HB 998	1335	1346										
HB 999	1335	1346										
HB1000	1335	1345										
HB1001	1335	1345										
HB1002	1335	1345	2119	2124	2206	2751		2751				1839, 1867, 2614
HB1003	1335	1345										2049
HB1004	1335	1345										2049
HB1005	1335	1345										
HB1006	1335	1345										2049
HB1007	1335	1345	2119	2126	2206	2625		2625				1839, 1867, 2213, 2934
HB1008	1335	1345	2590	2597	2745	2915	2598	2915	3530		3550	2049, 2871
HB1009	1336	1345										2049
HB1010	1336	1345										2049, 2499
HB1011	1336	1345	2652	2657	2850	3000		3000	3550		3646	2195, 2929
HB1012	1336	1345										2049
HB1013	1336	1346	2682	2720	2850	3000	2721, 2885, 2941	3001				2212, 2929, 3039, 3262
HB1014	1336	1345										1532
HB1015	1336	1346										
HB1016	1336	1346										
HB1017	1336	1345	1907	1913	2138	2750	1913, 3643	2750, 3644 2997	3550 3644	3644	3649	1346, 2614
HB1018	1336	1345	2440	2441	2614	2997	2573					2049, 2929
HB1019	1336	1346										
HB1020	1336	1345										1503
HB1021	1336	1346	2499	2522	2614	2913		2913				1535, 2790
HB1022	1336	1346	2499	2522	2614	2855	2525, 2640, 2641, 2782	2855				2049, 2643, 2875, 2935, 3546
HB1023	1336	1345										2627
HB1024	1336	1346										
HB1025	1336	1345										
HB1026	1336	1345										
HB1027	1336	1345										
HB1028	1336	1345										
HB1029	1336	1346										
HB1030	1336	1345										

HISTORY OF HOUSE RESOLUTIONS

Res. No.	Introduced	Referred	Re-reported	1st	Readings 2nd	3rd	Sub. or Amend	Voting*	Senate Message	Concur Activities	En-rolled	Other Action
HR 72	593	619	759	761	784	891		891				725, 842
HR 73	612							613				
HR 74	612							615				
HR 75	612							614				
HR 76	619							656				656
HR 77	617							618				
HR 78	661							665				
HR 79	665							728				
HR 80	667											
HJR 81	667	678	1180	1209	1330	1535	3644, 3645	1535, 3645	3550	3645	3701	871, 1337
HR 82	667							670				670
HR 83	672							673				
HR 84	672											
HR 85	672							699				
HR 86	678							727				
HR 87	678							728				
HR 88	701											
HR 89	730							731				731
HCR 90	731	751										1026
HR 91	749							750				
HCR 92	763	783	1043	1047	1155	1223	3646	1223	3550	3646	3701	902, 1164
								3647				
HR 93	787							787				
HJR 94	788	823	2015	2031	2138	2498		2498				1160, 2213
HR 95	788											
HR 96	838							838				
HJR 97	838	842										
HR 98	838											
HR 99	868							2759				
HR 100	889							869				
HR 101	892							891				
HR 102	894							893				
HR 103	902							1844				1028
HR 104	902							903				
HR 105	902											
HR 106	906	991						903				
HR 107	906							987				987
HR 108	951							1027				
HCR 109	990	1030	2682	2724	2850	2916		2916	3550		3646	1562, 2871, 2935
HCR 110	1026	1030	2682	2725	2850	2916		2916	3530		3550	2049, 2871
HR 111	1026							1156				
HR 112	1108							1137				
HR 113	1108							1161				
HCR 114	1108	1141	1382	1472	1532	2043		2044	3550		3646	1233, 1567
HJR 115	1172	1180	2499	2528	2614	2910		2910				1798, 2790
HCR 116	1172	1180	2187	2190	2206	2625		2625	3550		3646	1337, 2213
HJR 117	1179	1295										
HR 118	1225							1225				
HR 119	1231							1231				1231
HCR 120	1233	1295	2600	2600	2745	2912		2912				1532, 2790
HJR 121	1233	1295										2754
HJR 122	1294	1346	2856	2860	2902	3128	2861, 2862	3128	3550		3646	2146, 3037
HJR 123	1294	1345	2652	2658	2850	2917		2917				2195, 2871
HCR 124	1294	1345	2015	2031	2138	2497		2497				1532, 2213
HCR 125	1294	1345	2015	2032	2138	2497		2497				1532, 2109, 2213
HJR 126	1294	1345	2196	2202	2490	2905		2905	3530		3550	1342, 1798, 2643
HR 127	1295							1342				
HCR 128	1295	1346	2529	2540	2614							2049, 2791
HJR 129	1336	1345	2659	2671	2850		2673					2049, 3260
HCR 130	1337	1345										1532
HCR 131	1337	1345	2659	2673	2850	2917		2917	3550		3646	2049, 2871
HJR 132	1337	1345	2015	2033	2138	2498		2498				1532, 2213
HCR 133	1337	1346										
HR 134	1337											
HR 135	1503							1526				1527
HR 136	1503							1533				
HR 137	1567							1841				
HR 138	1797							1839				
HR 139	1797							1842				
HR 140	1797							1841				
HCR 141	1798	1867	3057	3057	3244	3326		3327				1839, 2212, 3260
HR 142	1798							1843				
HR 143	1798							1840				
HR 144	1798							1840				
HR 145	1798							1843				
HR 146	1798							1845				
HR 147	1865							3261				
HR 148	1865							3261				
HR 149	1865							2108				
HR 150	1865							2108				
HR 151	1865							1866				
HR 152	1865							1866				1866, 2109
HR 153	1865							2107				
HR 154	2049							2566				
HR 155	2035							2036				
HR 156	2049							2106				2106
HR 157	2049							3596				
HR 158	2119							2191				
HR 159	2146							2192				
HR 159	2146							2192				

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Res. No.	Intro- duced	Re- ferred	Re- ported	1st	Readings 2nd	3rd	Sub. or Amend	Voting*	Senate Message	Concur Activities	En- rolled	Other Action
HR 160	2212							2214				
HR 161	2212							2214				2214, 2215
HR 162	2499							2567				
HR 163	2499	2790	3056	3056	3244	3424		3424				2944, 3038, 3260
HR 164	2576							2628				
HR 165	2576							2630				
HR 166	2627							2630				
HR 167	2627							2628				
HR 168	2627							3543				
HR 169	2643							2758				2758
HR 170	2754											
HR 171	2754							2873				
HR 172	2754											
HR 173	2856							2873				
HR 174	2856							2874				
HR 175	2856							2872				
HR 176	2929							2932				
HR 177	2927							2928				
HR 178	2926							2927				
HR 179	2928							2929				
HR 180	2929							2933				
HR 181	2929							3007				
HR 182	2929							3037				
HR 183	2928							2928				2928
HR 184	3008							3260				
HR 185	3053							3054				3262
HR 186	3053							3254				3547
HR 187	3149							3255				
HR 188	3257							3257				
HR 189	3260											
HR 190	3260											
HR 191	3245							3245				
HR 192	3255							3256				
HR 193	3260							3541				
HR 194	3315							3319				3319
HR 195	3319							3320				3320, 3546
HR 196	3419							3546				
HR 197	3419											
HR 198	3419							3694				
HR 199	3419							3426				
HR 200	3540											
HR 201	3540							3544				
HR 202	3540							3692				
HR 203	3540							3542				
HR 204	3540							3692				
HR 205	3540							3603				
HR 206	3540							3544				
HR 207	3540							3545				
HR 208	3540							3541				
HR 209	3550							3551				
HR 210	3653							3655				
HR 211	3657							3730				
HR 212	3651							3651				
HR 213	3650							3651				
HR 214	3597							3597				
HR 215	3650							3650				
HR 216	3657							3658				3658
HR 217	3652							3653				
HR 218	3657							3659				
HR 219	3649							3650				
HR 220	3657							3691				
HR 221	3657											
HR 222	3657							3658				
HR 223	3693							3695				
HR 224	3693							3693				3693
HR 225	3697							3697	3701			
HR 226	3697							3697				
HR 227	3702							3704				
HR 228	3702							3703				
HR 229	3702							3729				3729
HR 230	3702							3731				
HR 231	3730											3730
HR 232	3736							3737				3737
HR 233	3736							3737				
HR 234	3736							3743				
HR 235	3736							3741				
HR 236	3741							3742				
HR 237	3752							3753				
HR 238	3740							3741				
HR 239	3737							3738				
HR 240	3739							3740				
HR 241	3738							3739				
HR 242	3749							3750				
HR 243	3751							3751				
HR 244	3751							3752				
HR 245	3750							3751				
HR 246	3754							3755				

HISTORY OF SENATE BILLS

(Numbers refer to page of House Journal. The text of a bill is given on first reading.)

*Voting modifications appear at the member's name in the subject index.

Bill No.	Senate Message	Referred	Re-reported	1st	Readings 2nd	3rd	Sub. or Amend	Voting*	Concur Activities	En-rolled	Other Action
SB 2	217	233	629	642	662	744	646, 1229	744, 1230	898, 951, 1024, 1107, 1137, 1140, 1229, 1230	1499	555, 667, 747, 898
SB 3	1029	1141									2871
SB 4	730	751	952	973	1018	1158		1158		1223	894, 1030
SB 6	617	662	2949	2949	3127	3248	2887, 3263, 3264	3248		3322	2049, 3198, 3263
SB 8	479	547	711	713	742	786	723, 724	786, 2044	1024, 1107, 1160, 1226, 1231, 1292, 1331, 2044	2490	665, 746, 820
SB 9	231	242									2049
SB 10	264	482	599	599	655	700	673	701		749	547, 662
SB 11	231	242	1935	1976	2138	3132		3132		3249	725, 2790
SB 12	217	233	1233	1267	1330	1501		1501		1567	1108, 1337, 1527
SB 13	217	233	1233	1270	1330	1502		1502		1567	1108, 1337
SB 14	730	751	1989	1992	2138	3246	2889, 2890	3246		3322	1532, 2790, 3263
SB 16	53	61	141	141	207	235	142	236		480	104, 208, 262
SB 18	61	97									902
SB 20	559	594	849	855	890	1158		1158		1223	788, 907
SB 23	823	842	1935	1980	2138	3132		3132		3249	902, 2790
SB 24	61	97	1935	1982	2138	3132		3132		3249	902, 2213
SB 25	61	97									902
SB 28	53	61									902
SB 29	61	97	1935	1984	2138	3423	3233, 3328, 3330, 3343	3423			902, 2790, 3233, 3260, 3546
SB 30	61	97									902
SB 35	559	594	3172	3172	3244	3322		3322		3419	788, 3260, 3546
SB 37	2642	2790	3054	3054	3244	3322	3056, 3343	3322			2930, 3260, 3546
SB 38	134	140	907	914	1018	1331	921, 923, 1290, 1291, 3343	1331		2035	751, 1141, 1527
SB 42	2576	2643	2895	2895	2992	3535		3535		3657	2791, 2872, 3260, 3547
SB 44	546	554									1164
SB 45	546	554									1164
SB 46	546	554									1164
SB 47	134	140	629	650	662	745		745		784	482, 667
SB 48	593	619	2529	2541	2614	3133	2782	3133		3595	2146, 2790
SB 49	661	667	1180	1210	1330	3247		3248		3322	871, 2105, 2754, 3097, 3198, 3263
SB 53	140	160	629	653	662	745	676, 729	745, 1106	889, 1106	1165	482, 667, 889
SB 54	96	107									
SB 55	546	554	2659	2674	2850	3130	2674, 2783, 3039, 3040	3131		3419	1164, 2929
SB 65	823	842	2545	2549	2614	3133		3133		3249	1337, 2790
SB 68	823	842	2440	2442	2614	3138	2442, 2573, 2574	3138		3322	2049, 3037, 3262, 3263
SB 71	140	160	711	724	742						665, 890
SB 72	134	140	907	923	1018	1158		1158		1223	871, 1030, 1162
SB 77	140	160	711	724	742	950		950		1023	665, 842
SB 88	678	732	2015	2034	2138	3246	2034	3246		3648	784, 2790, 3263
SB 95	559	594									1337
SB 96	546	555	2600	2602	2745	3138		3138		3322	585, 3037, 3262, 3263
SB 97	546	555	2600	2606	2745	3138		3138		3322	585, 3037, 3262, 3263
SB 99	546	555	2600	2610	2745	3320	3198, 3199, 3264, 3265, 3266	3321		3419	585, 3037, 3546
SB 102	1163	1179									
SB 104	823	842	2545	2556	2614	3247	2557	3247		3648	1337, 3037, 3263
SB 106	661	667									
SB 112	479	547	679	686	742	786		786		870	612, 746, 820
SB 118	730	751	2529	2542	2614	3140	2545, 2785, 2894	3141		3595	3037, 3262, 3263
SB 119	2576	2643	3008	3011	3127	3323	3015, 3199	3323		3687	2871, 3198
SB 121	546	555	2682	2726	2850	3136		3136		3322	2212, 3037
SB 130	2790	2895	3172	3175	3244	3530	3175, 3176, 3179, 3200, 3266, 3267, 3343, 3346, 3347, 3348	3530	3595, 3648, 3649, 3688, 3689		3008, 3037, 3260
SB 131	823	842									902
SB 134	678	732	2949	2952	3127	3246		3246		3322	2871, 3198, 3263
SB 138	990	1030	3233	3233	3318						2871
SB 139	730	751	1043	1047	1155	1499	1048, 1161, 1291	1499		2035	902, 1180
SB 141	593	619	2949	2952	3127	3249		3249		3322	3198, 3263
SB 142	730	751	2545	2557	2614	3134	2788	3135		3322	1337, 2929
SB 143	2576	2790	3227	3227	3318		3231, 3267, 3269, 3270, 3348				2930
SB 145	661	667	2682	2727	2850	2993	2728	2993		3419	2146, 2929, 3039
SB 147	2209	2440	2949	2955	3127	3427	3040, 3270, 3271, 3350, 3354, 3355	3427		3648	2871, 3198

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SB 148	730	751	2545	2560	2614	3135		3135		3322	1337, 2929
SB 150	730	751	2545	2560	2614	3135	3041, 3044	3135		3322	1337, 2929
SB 154	990	1029	2652	2659	2850	3138		3139		3322	1346, 3037, 3262
SB 157	990	1030	3172	3173	3244	3420		3420		3527	2146, 3260
SB 158	990	1029	2674	2674	2850	3250	2676, 3203, 3271, 3272	3251		3648	2499, 2929, 3263
SB 163	990	1030	1935	1985	2138	3133		3133		3249	1233, 2790, 3547
SB 164	1345	1531									2049
SB 166	730	751	2545	2565	2614	3134		3134		3322	1337, 2790
SB 167	1567	1867	3165	3166	3244	3420	3272, 3355	3421, 3660	3596, 3636, 3637, 3648, 3655, 3660	3695	2871, 3260
SB 168	2790	2943									
SB 169	667	679	764	776	784	870	821, 840	870		900	725, 824, 886
SB 170	1292	1345									2049, 2872
SB 171	2943	3008	3233	3234	3318						3008, 3037
SB 173	661	667									
SB 174	823	842	1935	1985	2138	3139		3139		3322	902, 2213, 3262, 3263
SB 175	749	783	1037	1038	1155	1500	1040	1500		2035	907, 1180
SB 177	2119	2195									
SB 178	783	823	2600	2613	2745	3136		3136		3322	1503, 2790, 3262
SB 179	1865	2119	2817	2820	2902	3136		3136		3322	2499, 2929, 3263
SB 180	783	824	1935	1987	2138	3248	2574, 2575	3248		3322	902, 2791, 2930, 3097, 3198, 3263
SB 182	2943	3008	3233	3234	3318						3008, 3037
SB 183	3327	3419									
SB 184	1292	1345	2015	2034	2138	3133		3133		3249	1532, 2790
SB 185	783	823									2930
SB 188	823	842	1043	1048	1155	1332	3278, 3279	1332		1533	902, 1164, 1527
SB 192	842	890	2682	2728	2850	3249		3249		3322	2146, 3037, 3263
SB 193	889	899	2864	2864	2903	3140		3140		3322	2212, 3037, 3262, 3263
SB 194	2642	2790	3225	3225	3318						2895
SB 195	1865	2119	2991	2991	3128	3249		3249		3322	2871, 3198, 3263
SB 197	990	1029	2957	2957	3127	3246		3246		3322	2049, 3198, 3263
SB 198	823	842									2930
SB 199	823	842	2829	2830	2902	3424	2830, 3279, 3281	3425		3648	902, 3037
SB 201	1163	1180	1618	1619	2035	2615	2436, 2437	2615, 3660	3001, 3535, 3594, 3595, 3596, 3649, 3655, 3659, 3660		1532, 2105
SB 202	1163	1179	2795	2795	2903	3137	3044, 3047, 3203, 3204	3137		3657	2146, 3037, 3263
SB 208	1345	1531	2829	2831	2902	3139		3139		3322	2212, 2929, 3262, 3263
SB 209	889	899	2829	2831	2902	3139		3139		3322	2212, 2929, 3262, 3263
SB 210	889	899	3008	3016	3127	3249		3250		3322	2871, 3198, 3263
SB 211	1865	2119	2829	2831	2902	3140	2942	3140		3322	2212, 2929, 3262, 3263
SB 212	2895	2943	3172	3179	3244						3008, 3037
SB 213	1345	1531	3008	3016	3127	3250	3179, 3180	3250		3322	2871, 3198, 3263
SB 214	730	751	1043	1048	1155	1229		1229		1499	902, 1164, 1289
SB 215	1292	1346	3008	3016	3127	3250	3204	3250		3322	2643, 3198, 3263
SB 216	823	842	2829	2832	2902	3140		3140		3322	902, 1233, 1535, 2929, 3262, 3263
SB 217	990	1029	1473	1495	1532	2208		2208		2496	1180, 1567
SB 218	990	1030	3008	3016	3127	3251		3252		3322	1798, 3198, 3263
SB 219	2576	2643									
SB 220	1029	1140									2049
SB 222	1140	1164	3008	3021	3127		3023, 3356				1798, 3699
SB 223	990	1029	1473	1497	1532	2208		2208		2496	1180, 1867
SB 224	1292	1345	2813	2813	2903	3247	3204	3247		3595	2146, 2929, 3263
SB 225	1292	1346	3008	3025	3127	3251		3251		3322	2212, 3198, 3263
SB 231	1531	1567									
SB 235	1345	1531	3057	3057	3244		3073, 3091, 3092, 3204, 3205, 3209 3212, 3213, 3281, 3356, 3357				2754
SB 236	2119	2195	2949	2956	3127	3250		3250			
SB 237	906	991	2682	2730	2850	3139		3139		3322	2871, 3198, 3263
SB 239	2119	2195	3165	3166	3244	3421	3169, 3282, 3357, 3360	3422		3322	2212, 2929, 3262, 3263
SB 240	2119	2195	3008	3032	3127	3251		3251		3322	2871, 3260
SB 241	2576	2643									2871, 3198, 3263, 3546
SB 242	2576	2643	2949	2957	3127	3251		3251		3322	2871
SB 244	1292	1345	2930	2930	2992	3141	2930, 3048, 3213, 3215	3141		3322	2754, 3037, 3262, 3263
SB 245	2209	2440	3123	3123	3244	3323	3282	3323		3419	2791, 3260
SB 249	1292	1345	2579	2586	2745	3135	2586, 2788, 2942	3135		3657	2146, 3037, 3262
SB 256	2195	2440									
SB 258	1140	1164	2856	2862	2902	3136		3136		3322	2212, 2929
SB 261	2119	2195									2499
SB 262	1865	2119									
SB 263	2790	2895									
SB 264	1163	1180	2829	2832	2902	3247	3216, 3219	3247		3322	2499, 2929, 3263
SB 265	2119	2195	3093	3093	3244	3421		3421		3527	2871, 3260
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SB 270	1292	1346	2682	2739	2850	3141	2942	3141		3687	2049, 3037, 3262
SB 271	1345	1531	2589	2589	2745	3134		3134		3322	2146, 2790
SB 273	1345	1531	2674	2676	2850	2912		2912		2993	2049, 2871, 2933, 2934
SB 274	2119	2195									
SB 275	1345	1531	3165	3169	3244	3324	3172	3324		3648	2944, 3008, 3260, 3547
SB 277	2576	2643	2949	2957	3127	3252	3219	3252		3322	2871, 3198, 3263
SB 280	1292	1345	3098	3098	3244	3426	3108, 3219, 3389, 3394, 3548	3427		3687	2627, 2754, 2930, 3008, 3260
SB 281	2119	2195									2630, 2895
SB 283	2119	2195	3093	3095	3244	3421	3096	3421			2871, 3260
SB 284	2576	2643	2957	2960	3127		3282				2871, 3198, 3535
SB 285	2576	2643	2957	2973	3127		3220, 3283				2871, 3198, 3535
SB 286	2119	2195	2895	2898	2992	3318	3048, 3049, 3220, 3221	3319		3419	2791, 2872, 3037, 3546
SB 288	2209	2440	2944	2947	3127	3252		3252		3322	2627, 3198
SB 293	2195	2440	3149	3149	3244	3323	3284, 3285	3323		3648	2930, 3260
SB 294	2119	2195	3172	3180	3244	3422	3181, 3285, 3394, 3395, 3397, 3398, 3399	3422		3687	2627, 2872, 2933, 2944, 3008, 3037, 3260, 3732
SB 297	1865	2119	3233	3242	3318						2499
SB 300	2209	2440	3098	3098	3244	3323	3049, 3050, 3098, 3221, 3222	3324, 3689	3595, 3636, 3637, 3648, 3655, 3657, 3688, 3689	3703	2754, 3260, 3687, 3700
SB 301	1567	1867	2795	2805	2903	3137	2805	3137		3595	2566, 2929, 3262, 3263
SB 303	2576	2643	2895	2900	2992	3248	3050, 3052	3248		3322	2791, 2872, 3037, 3263
SB 304	2209	2440	2944	2948	3127	3252		3252		3322	2627, 3198, 3263
SB 305	1865	2119	2957	2984	3127	3252		3252		3322	2213, 3198, 3263
SB 306	2642	2790	3125	3125	3244	3324		3324		3419	2930, 3260, 3547
SB 307	3001	3008									
SB 308	2195	2440									
SB 309	2642	2790									2944
SB 314	2790	2895	2957	2987	3127	3253	3290, 3291	3253		3322	2930, 3198, 3263
SB 316	2642	2790									2930
SB 318	3001	3008									
SB 319	3315	3420									
SB 320	2925	2943									
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SB 324	2642	2790	3125	3126	3244	3422	3291, 3399, 3400, 3404, 3405, 3406, 3408, 3409	3422, 3702	3602, 3636, 3637, 3648, 3649, 3655, 3656, 3690, 3698, 3702	3732	2754, 2930, 3260, 3547, 3699
SB 326	2576	2643									
SB 328	2642	2790	3195	3196	3244	3327	3196, 3291, 3409, 3410	3327		3648	2930, 3260
SB 329	2576	2643	2957	2987	3127	3321	3222, 3291, 3301, 3309	3321			2754, 3198, 3546
SB 331	2576	2643	3117	3117	3244	3324	3222, 3223, 3309, 3310	3325		3419	2871, 3260
SB 333	2642	2790	3125	3127	3244	3325		3325		3419	2930, 3260, 3547
SB 334	3327	3420									
SB 336	1865	2119	2815	2815	2902	3423	3052, 3223, 3310, 3311, 3411	3424			2215, 2499, 3260, 3547
SB 337	3148	3225									
SB 338	2895	2943	3149	3151	3244	3327		3327		3419	3008, 3037, 3260
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SB 343	2895	2943	3149	3159	3244	3529	3411	3529			3008, 3037, 3260, 3700
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SB 350											
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SB 365	3327	3420									
SB 376	2576	2643	3123	3125	3244	3529	3313, 3418	3529		3703	2791, 3260, 3700
SB 377	2642	2790	3149	3165	3244	3325	3165	3325		3648	2930, 3260
SB 379	2895	2943									
SB 383	2895	2943									3197
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SJR 42	1140	1164	3172	3192	3244		3194				1798
SJR 44	1163	1180	2856	2864	2902	3137		3137		3322	1531, 2929, 3262, 3263
SCR 45	823	842	1043	1049	1155	1227		1227		1499	902, 1164
SJR 50	1531	1567	2644	2644	2850	3327		3327		3419	2212, 3037
SCR 53	1292	1345	2579	2587	2745	3148		3148		3322	2146, 3037
SJR 65	1865	2119	3093	3097	3244	3326		3326		3419	2871, 3260, 3547
SCR 68	1865	2119	2829	2849	2902	3137		3138		3322	2212, 2929, 3262, 3263
SCR 69	1567	1867	2682	2744	2850	3420	2942	3420		3527	2212, 3037, 3547
SCR 70	2576	2643									2791
SJR 71	2576	2643									2791
SCR 82	2119	2195	3057	3092	3244	3326		3326		3519	2754, 3260
SCR 83	2195	2440	2795	2805	2903	3326	3224	3326		3419	2566, 2929, 3547
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- Bill of Rights, display in public schools - HJR 3
- Department of Education reorganization - SB 294
- Effective
 - January 1, 1989 - HB 834, 1019
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- Emergency - SJR 42; SB 10, 65, 119, 169, 178, 179, 236, 245; HJR 129; HB 221, 337, 402, 426, 482, 506, 631, 634, 655, 663, 665, 682, 978, 1021
- Individual and corporate income tax provisions eff. after 12-31-87 - HB 790
- January
 - 1, 1989 - SB 239; HB 828, 894, 948
 - 1, 1990 - HB 504, 654
 - 6, 1992 - HB 200
- July
 - 1, 1987 - HB 176
 - 1, 1988 - HB 494, 744, 947
 - 1, 1990 - HB 818
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- October 1, 1988 - HB 54
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